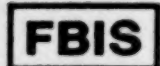


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19 JUNE 1986

West Europe Report



FOREIGN BROADCAST INFORMATION SERVICE

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19 JUNE 1986

WEST EUROPE REPORT

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POLITICAL

DENMARK

POLITICAL LEADERS COMMENT ON POSSIBLE DEMISE OF LEFT SOCIALISTS

Copenhagen BERLINGSKE TIDENDE in Danish 13 Apr 86 Sect III p 10

[Article by Jesper P. Jespersen: "Politicians: VS Means the Most Outside the Folketing"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Left Socialists [VS] have played out their role in Danish politics according to the judgment of a number of Christiansborg politicians. The party meant something 19 years ago when its members broke out out of SF [Socialist People's Party] and brought down the Social Democrat government.

There will be dry tears shed in the Folketing if the Left Socialists in an election come in under the limit and are thereby excluded from the political arena at Christiansborg. A number of MP's from right to left in the political picture will in the best case complain because VS is leaving the Folketing.

Seven prominent politicians at Christiansborg with whom BERLINGSKE TIDENDE has spoken commented about Danish politics without VS and the consequences of VS slipping out of the Folketing. The 7 politicians have an average of 16 years behind them as members of the Folketing.

The issue is of current interest because of the unconcealed open split in the party which they themselves in VS admit can lead to a stop of their political work in the Folketing.

"VS has played out its role in Danish politics, and besides it is using too much of the Folketing's time." That is the thoroughly negative comment about the party which has 5 seats, 1200 members and had barely 90,000 supporters in the election in January 1984.

But despite these hard words VS was also praised and emphasized for its "intelligent and well-qualified people, who enrich the work." Some sighed and spoke of Preben Wilhjelm and Steen Folke, and the time when the party was "balanced and shrewd," while others emphasized the current members Anne Grete Holmsgaard, Jorgen Lenger and Steen Tinning as "constructive discussion partners."

Will Continue to Be Opinion Formers

"The importance of VS is not in the Folketing, even though their people work and debate skillfully. It is primarily in cultural life, in the mass media and the theater that VS people are setting the pace."

That is the opinion of the chairman of Center Democrats, Erhard Jacobsen, who personally is indifferent to whether VS slides out of the Folketing. "The debate will not be influenced by whether there is a VS or not, But the party will continue to be politically opinion-forming."

Members of VS will operate in the nation's cultural institutions and in grass-roots movements as long as people from the youth troubles continue to live. But when they no longer have wind in their sails it will be because the movements which they so loyally supported do not either.

That includes the BZ movement, the Vietnam movement and the peace movement. "Look, for example, at the meager participation in the Easter march for peace," said Erhard Jacobsen. He also pointed to the antiparliamentary tradition of VS, in which the BZ are an external parliamentary means which has been working for a long time.

"We are not communists, we are not really anything," is the party chairman's description of VS members, and he does not believe that they waste the Folketing's time.

"They can say that about anybody," said Erhard Jacobsen.

Not a Great Loss

"In my opinion VS is irrelevant."

These were the dry words of Niels Helveg Petersen, who is the chairman of the Radical Liberal Folketing group. He believes that when it comes to pure practical politics VS contribution is very humble.

"Their biggest weakness is that real politics do not interest them. It is therefore very striking that it is in their attitudes toward real politics, such as their attitude toward government cooperation, that VS falls apart," said Niels Helveg Petersen.

"Yes, the time after Preben Wilhjelm," sighed the group chairman. "They were more shrewd in Wilhjelm's time, not like today when they occupy much of our time."

"During the period under Preben Wilhjelm VS played a role in raising questions and issues, mostly in the area of law and order. But it is a long time between drinks, so VS will not be greatly missed if they leave the Folketing," said the Radical leader.

The group chairman and environmental spokesman of the Christian People's Party, Jens Steffensen, spoke entirely differently about the role of the Left Socialists.

Constructive Outlook

"I will miss VS in the environmental area, where they have asked many legitimate questions. They are good discussion partners, especially Anne Grete Holmsgaard who has a constructive political outlook," said Jens Steffensen, who absolutely will be sorry if VS leaves.

"It is important for the Folketing and for democracy that there are representatives of all social groups which are capable of gathering voters," said the chairman of the party which has five seats in the Folketing, as does the Left Socialist Party.

VS and KRF are below the minimum limit in the number of seats if one believes the Gallup poll which was taken during the period that the Folketing approved the Easter package. Many VS votes will apparently go to the Socialist People's Party.

Gert Petersen, who is both the party chairman and political spokesman for SF, believes that it would be too bad for democracy if VS slid out of the Folketing. But when it comes to economic policy the party does not play a role.

"With their very square attitude toward economic policy they cannot play a part, but in other areas, such as environment and education, they will be missed.

"VS has become more realistic in their Folketing work, and therefore they have been able to exercise a certain influence," said Gert Petersen.

The vice chairman of SDP, Ritt Bjerregaard, will not complain if VS leaves the Folketing.

"I see it as a big advantage if there are fewer parties. But I will be sorry because of some of the people who are in the Folketing," said Ritt Bjerregaard.

She believes, however, that there will always be others who will take over VS' role as watchdog, so in that way the party will not leave an empty space behind.

"But they played a role when they were formed and brought down the Social Democratic government," admitted Ritt Bjerregaard.

Enormously Little Influence

Flemming Jensen, who is the vice chairman of the Conservative Folketing group, believes that there will spontaneously be shorter meetings if VS leaves the Folketing.

"They are of course exceptionally energetic, mostly in the foreign policy area, where their work is definitely not especially enriching.

"But they are very clever and well-qualified and do good work in other areas, for example sports policy," said Flemming Jensen, who does not believe that there will be an ideological or a political vacuum in Danish politics after the departure of VS.

"That wing is certainly well-represented by, among others, SF. But the influence of VS is immensely small because they are so exaggerated. They are so far from the middle, where the center of power is located, and they therefore have no influence on the country's policies," said the vice chairman, who will shed dry tears if VS leaves the Folketing.

Liberal MP Bjorn Elmquist looks at things from a tactical standpoint, and he would be annoyed if VS left because it is better to have many parties on the leftwing who disagree than to have one big party.

"But they are not living up to the realistic recognition that one does not win votes in committee meetings. That is one of VS greatest weaknesses, that they do not understand that they have not convinced the rest of us of their viewpoints," said Bjorn Elmquist.

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POLITICAL

DENMARK

'COMMON COURSE' CLUB CONVERTS TO POLITICAL PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 20 Apr 86 p 6

[Article by RB: "Common Course As a New Political Party"]

[Text] The organization Common Course Club decided on Saturday at a congress in Copenhagen to change its status to a political party and stand in the next Folketing election, announced the chairman, Preben Moller Hansen.

"We have already had forms printed for the collection of 25,000 signatures, so the party Common Course will be qualified to run," said Moller Hansen, who is also chairman of the Seamen's Association.

"A new workers' party has seen the light of day, and we ask socially thinking people to join Common Course (FK). If the government's reactionary policies are to be stopped, it is necessary to have more power on the leftwing," said a statement.

"LO [Trade Union Confederation] and the Social Democrats have shown in practical politics that they approve of cuts. The Socialist People's Party is not the renewing force in Danish politics. Today it is in reality a new social democracy. FK is set up as Denmark's new labor party which is determined to turn developments in a positive direction for those who are hit by the policy of cuts," it says in the statement.

9287
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POLITICAL

DENMARK

LEFT SOCIALIST MP CRITICIZES PARTY FOR LACK OF ACTION

Copenhagen INFORMATION in Danish 26-27 Apr 86 p 5

[Text] The activity level in the Left Socialist Party [VS] is abysmally low and in many ways it is the job of the Folketing group to conceal how bad things really are in the party.

VS Folketing member Jorgen Lenger made these charges in an internal paper on the current situation in the party, according to an article in POLITIKEN on Friday.

In the internal paper to the VS executive committee, Jorgen Lenger wrote:

"The organization lacks expertise and insight and there is little sign of new ideas and the concrete realization of visions. It is a question of whether we can morally justify the pretense that everything will turn out all right on this basis."

Jorgen Lenger also criticized the work of the Folketing group:

"We have a Folketing group that functions in direct contrast to the party's own political principles. We should be working collectively, but we are working quite separately," he wrote and continued that "in many ways its task is to camouflage and smooth over how weak VS really is."

Before and after the party's theme congress in February VS has had heated discussions on the party's attitude toward a future cooperation with the Social Democrats in a labor majority. Jorgen Lenger wrote of the party's role in this kind of labor majority:

"It is extremely unlikely that we can cast the decisive votes on important decisions. As an organization VS is not equipped to enter into cooperation with a much larger Social Democratic Party."

It was not possible to obtain a clarifying comment from Jorgen Lenger on Friday.

6578

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POLITICAL

FINLAND

CENTER PARTY PREPARING ACTION FOR VAYRYNEN CANDIDACY

Kaariainen Possible Vayrynen Successor

Helsinki UUSI SUOMI in Finnish 27 Apr 86 pp 24-25

[Article by Kari A. Nurmela: "Kaariainen Ready for A New Start, Center Party Secretary To Resign from Post in 1988"]

[Text] At the same time that Paavo Vayrynen is consistently drawing away into worldwide politics, Seppo Kaariainen, 38, has become a real power figure in the Center Party.

Many within the party see Kaariainen's chairmanship as quite natural at the 1988 party congress in Kajaani.

A provincial man, who knows the ins and outs of urban politicians. A "different" kind of man among politicians who have already become stereotypes. This is refreshing.

Seppo Kaariainen is now running at full speed, major elections are at hand in his political career.

He begins to speak a prosaic Savo dialect after approximately 15 minutes -- after he really gets into a speech.

At that point he is coming to the final part of his speech.

His hand has already been raised from the side of the rostrum to give emphasis to his words. It is somewhat awkward, but when accomplished by a big man there is sufficient power.

Savo Phraseology

Seppo Kaariainen begins his speech with an effective bear hug, in which the man's outward being and intimate approach create a perceptible contrast: "Sisters and brothers..."

At the end he talks about how many seats the Center Party should win in the coming parliamentary elections:

"The Center Party must obtain 40 seats -- we already have 37 capable representatives."

He himself a sturdy fellow -- height 184 cm and weight 100 kg -- talks to the voters in Yla-Savo, Siilinjärvi. Next year's candidates for parliament will be chosen at this meeting and, therefore, even the party secretary, who is up for nomination, must put forth his best. Indeed, he is considered to be a vote-puller in Yla-Savo.

Kaariainen discusses the Center Party's position in government cooperation, with a well-meaning hand he slaps the Social Democrats as well as the Conservatives.

He places the Finnish flag on its staff while pointing out that the interests of the fatherland should be uppermost even in election work -- "and that there should be a wide interval and only then the Center Party". With the confidence of certain victory he places the candidate himself last.

One of the speakers from among those attending the Siilinjärvi district meeting put this trinity in the following form: Fatherland, party, and clever manipulation.

"Votes Must Be Garnered"

"I want to tell you in no uncertain terms that even though there has been some serious arm-twisting in the government, the SDP and the Center Party are capable of cooperating reasonably well... But there is one condition on which we insist -- the SDP cannot dictate its own policy, this will not work at all.

"Area policy is our life's lifeblood. The province must be supported from one corner to the other. We have the good word, we have the deeds, the others are only talking nonsense.

"There are votes that are dead certain, but others must be garnered -- additional votes are needed."

The people have already been committed, the listeners are bound as if by oath to the epistle of the preacher. And since the beginning embraced love and kindness, the speech is concluded in the same manner.

"I wish you health and inner peace."

Thunderous applause!

This is familiar to Seppo Kaariainen -- there where he speaks, the people are not left cold.

Politics with Feeling

Seppo's power lies in the fact that he is able to make politics with feeling, he is what he is, and he does not cover up his roots.

This is how Center Party Vice-Chairman Martti Pura describes the fundamental nature of his contemporary.

Pura likes this kind of style. He is himself a natural born agrarian idealist, who lets things go at full tilt.

This pair, who have rummaged around the party's organizations for a long time already and know each other exceptionally well, is called by the title "Birch and Star politics". Pura is the birch and Kaariainen is the star.

Seppo Kaariainen has for quite some time already been a serious alternative (since the 1980 Turku party congress) in the Center Party leadership. At that time when Vayrynen was being subjected to serious verbal attacks, Kaariainen quietly and gradually became a person of real influence.

And even more, within this pair the party rank and file have become aware of the substance of a leader.

"Vayrynen Is Now The King"

People are playing the game of what if in the Center Party. If Vayrynen becomes president in 1988, then Kaariainen will become party leader at the same time.

But this is a game of what if -- the fact, however, is that Seppo Kaariainen will take a serious step into national politics next year, he must run for MP if he intends to aspire to greater heights. Chairman?

"It is not connected with this -- the chairmanship is a different matter in itself. Perhaps sometime," states Kaariainen himself.

"I am not qualified to talk about my support for the chairmanship, I know that there have been discussions of this matter among the rank and file.

"Also I will not say that I would not consider running for chairman someday. But that is then... the political situation may be different, and so on. Vayrynen is now the king, a strong king, who has an unshakeable position in the party."

He talks in this manner while admitting at the same time to being interested in the idea of being a Member of Parliament. "One must be interested, otherwise one cannot manage."

Sankiaho The Reason for Politics

Seppo Kaariainen, the son of a small farmer from the rural community of Iisalmi, presently a candidate of political science, a 20-year resident of Helsinki, entered politics merely by chance.

"It is Risto Sankiaho's fault. I was his assistant at the University of Helsinki. Sankiaho sat next to Jouko Loikkanen in the Helsinki City Council, and

Loikkanen once asked if he knows any young man in the Center Party who could be recruited as a research secretary for the party. Sankiaho said he knows someone. This happened just before the 1970 party congress in Mikkeli.

"Loikkanen was not elected party secretary, Mikko Immonen was elected, and he then hired me.

"Sankiaho was of the opinion that I should unconditionally go into politics. But it was by chance, I was thinking about continuing my studies.

Two More Years As Secretary

Young politicians do not really know anything other than politics, this has been Kaariainen's fate. The whole time in the party office.

"One cannot in any case retire from this business. One can do this as long as one thinks of it in a limited time frame.

"But, I have been thinking that I will leave the affairs of party secretary to someone younger in 1988."

There are five good men being brought up on Kaariainen's coattails in the party office, among them individuals from Helsinki.

As a man with feelings Kaariainen says that a politician will not become apathetic or cynical if he remembers to communicate with the people and experience real life. "Stay humble."

Kaariainen does not reveal what he expects from the future, he admits only to accepting the whole political repertoire as it is presented.

His Own Policy in The Center Party

From time to time he does, indeed, toy with the idea of quitting and becoming the editor of SAVON SANOMAT when agonizing over problems in the morning in the party office -- but no longer in the afternoon.

He is a hard worker and energetic. He is interested in confrontations.

"From time to time it is necessary to wrestle with other parties. I always end up on the floor, heh, heh... I am not as enthusiastic now, but it would not be good to give it up either.

"It is not repulsive, but sometimes it is unpleasant when one is compelled to speak very rudely.

Kaariainen has, indeed, conducted his own policy within the Center Party. Although no major schisms are visible, there have been minor squabbles with Vayrynen merely for the reason that the men are completely different types. In questions of policy Kaariainen is a point to the left of Vayrynen.

The two men are presently of differing opinions on energy issues: Kaariainen is a rather strict opponent of nuclear power, Vayrynen is not.

Likewise, Pura along with Kaariainen does not agree with Toivo Ylajarvi's agricultural philosophy, which has been a thorn in the side of the Center Party.

And the party secretary's messages have not, otherwise, always been breathlessly followed within the party.

"In my opinion, he has displayed slightly too much antipathy toward the Conservative Party," says chief editor Kari Hokkanen, member of the Center Party's council and executive committee.

"One Cannot Hide from Oneself"

As the representative from Ostrobothnia Hokkanen does, however, give full recognition to the colorful party secretary.

"He is now very much liked even in Ostrobothnia even though his election was once opposed here. Even his Savo dialect is accepted here.

"Authenticity and honesty radiate from Kaariainen's speeches.

"The subject may be popular, but he does not, however, come across as a populist in his speeches. Indeed, they do deal with the issues and are consistent."

Kaariainen himself says that both feeling as well as reason must be visibly present.

"One cannot hide from oneself. Playacting does not succeed in politics. One can exhibit feelings and there should even be a little passion.

"Here in the provinces a dialect is accepted, but in Helsinki one should attempt to speak proper Finnish."

He is a genuine politician. Even though it appears that the strong speeches and use of dialect are part of his nature, there is also a large dosage of conscious image building in everything he does and says. His bearing and threadbare jacket give a personal stamp, with which the rural members of the Center Party can easily identify.

Real Struggle in Helsinki Area

Kaariainen considers his greatest victory to be the fact that he successfully helped put the party back together again after the disruptive presidential elections.

And, naturally, Party Secretary Kaariainen believes that he can go from the country to the city with this same image. Genuineness is sufficient.

He admits that real political struggles are waged in the capital city area, and he will gladly tell you what the Center Party has already accomplished in this area. He also refers to the struggle between Vayrynen and Ilaskivi. And he promises that the Center Party wants to influence urban Finland through parliamentary and government policy.

Does not everyone do this?

"But we also emphasize environmental questions, green values, and increased democracy.

"In practice, urban thinking will become apparent in a new manner after the Lappeenranta party congress -- I hope that someone from the capital city area will be elected as one of the vice-chairman.

"Indeed, others try to make us talk about farm policy only. Even though the agrarian stamp is, of course, visibly present in the Center Party, the party should have a keel," explains the man about whom the party's own rank and file says that he is the party's first real party secretary.

Platform Ready in June

Helsinki UUSI SUOMI in Finnish 28 Apr 86 p 7

[Article by Kaija Lahteenmaa: "Presidential Candidate Paavo Vayrynen: 'Presidential Candidate Must Now Be Given Time To Work in Peace'"]

[Text] Turku--The Center Party will place its presidential election platform on the table at the party congress in June after the party has officially elected Chairman Paavo Vayrynen as its own presidential candidate.

According to Vayrynen, a long silence will, however, follow the party congress: the Center Party will not enter the presidential election campaign in earnest until the fall of 1987.

At a meeting of the Center Party's party delegation held in Turku on Sunday Vayrynen made the assurance several times that the Center Party will not play the presidential game and will not practice a "policy of pinpricks" against the incumbent president.

Vayrynen appealed to his own rank and file as well as to all the Finnish people to now give "all possible, probable, and known presidential candidates" time to work in peace.

Foreign Minister and Chairman Vayrynen saw no problem in the fact that the foreign minister is competing for the presidential post with the leader of foreign policy, the president.

"Complete unanimity prevails in foreign policy," says Vayrynen.

19 June 1986

Strike Must Be Brought To An Immediate End

The Center Party's party delegation issued a political stand, in which it stated that it considered it imperative that the public employees' strike be brought to a quick conclusion in a manner satisfactory to both parties.

In the opinion of the Center Party the representatives of the employer side or the state should exhibit a greater desire to negotiate instead of repeatedly criticizing the views of the employee side in public.

"In order to reach an agreement, the necessary income revisions must be directed toward the low and middle income groups, and inequities in the contract structure should be corrected gradually," demands the delegation.

Ban on Land Clearing Approved

The Center Party is ready to approve the limiting of land clearing agreed upon in the farm income solution. However, as a condition the party delegation demanded that the ban does not affect "typical family farms".

The Center Party's parliamentary group has previously rejected proposals from its agriculture minister regarding limits on land clearing.

The Center Party wants to clarify the negotiating system for farm income in such a way that agricultural and social policy decisions will be left to parliament and the government.

The decision was in compliance with the demands presented by Chairman Paavo Vayrynen on Saturday.

Paper Views Vayrynen's Tactics

Helsinki UUSI SUOMI in Finnish 29 Apr 86 p 2

[Editorial: "In Places! Ready! Stop!"]

[Text] In Finland all power is vested in the people. For the time being, however, Finns do not know how they will elect a head of state in January 1983. Because of the shortsighted tactics of the parties, it is still unclear as to whether indirect elections will be held as in the previous manner or whether a transition will be made to a new election method which will provide an opportunity to vote for the presidential candidate as well as the electoral candidate.

It is also not known whether Mauno Koivisto wants to continue as president of the republic. The Social Democrats are talking in favor of a short election campaign since the incumbent president will in any case receive publicity the whole time while, on the other hand, it will be difficult for the competing candidates to advertise themselves without a special campaign.

The only certainty regarding the next presidential elections is that the Center Party will nominate Paavo Vayrynen as its presidential candidate at the party congress to be held in June in Lappeenranta. However, there will be a pause after the starting shot: actual election work will not begin until the fall of 1987.

In objecting to the nomination of Vayrynen as a candidate at this time already certain leading Social Democrats have hinted at conflicts which may arise for the reason that the president of the republic and the foreign minister will be competitors in the next presidential elections. Vayrynen has with good cause dismissed such insinuations. It is doubtful that a dispute over foreign policy can arise. Vayrynen has avoided making any comments on Koivisto's actions in domestic policy.

Moreover, the sphere of possible presidential candidates in Finland is so small that inasmuch as several candidates, in general, are desirable, they will also be competitors in one way or another outside of the presidential elections.

According to his own words, Vayrynen will become a presidential candidate 19 months before the elections already since the rank and file so desires. Party leaders, however, tend to trust blindly in the opinions of the rank and file when it seems to be a wise tactic.

The flavor of tactical actions was strengthened by Vayrynen's assessment of the achievements of the red earth government, on the one hand, and the future outlook of the government base, on the other hand. The chairman of the Center Party admitted surprisingly openly that the joint governments of the center and the left have not really been able to promote the goals which a "growing non-Socialist majority" considers to be important. He demanded that the party broaden its attitude toward various government alternatives.

The point of Vayrynen's tactical speeches is clear. According to a recent opinion poll, the combined support of the left wing is now only 36 percent. In addition, Koivisto's personal popularity is declining. If the new election method is in effect in January 1988, it is quite possible that Koivisto will not have the majority of voters behind him and that the electors of the Center Party and the Conservative Party will together be able to determine the result.

However, there are many unknown factors in the equation. Perhaps the most influential factor is the reputation which Vayrynen has acquired by his previous actions among Conservative Party supporters. In the opinion of many, Vayrynen is even personally responsible for the fact that in the formation of governments it has not always been the custom "to take the opinions of the majority of the people seriously into consideration". In the Conservative Party people recall what kind of conditions Vayrynen has previously set forth for the party.

Vayrynen's sudden verbal change is much too awkward to captivate the Conservatives. Whether he has something else to offer will only become clear after the next parliamentary elections. The parliamentary elections and the already commenced presidential game belong together even though the parties will not admit this. And why should they not belong together since it is a question of the same issue in both elections: to whom will the people give the mandate to rule.

10576

CS0: 3617/106

POLITICAL

FINLAND

'MODERATE' CP WING'S PAPER ASSESSES SORSA FOREIGN POLICY TALK

Helsinki KANSAN UUTiset in Finnish 9 May 86 p 2

[Editorial: "Sorsa's Speech"]

[Text] Prime Minister Kalevi Sorsa has taken a stand on Finnish foreign policy. Speaking at a peace seminar for journalists, Sorsa said that in Finnish foreign policy no permanent decision has been made on the question of what our role is when the road conditions in the international arena are bad, when tension is high, and when cooperation is poor. As an example of this, he mentioned the domestic debate on the activeness or passiveness of our foreign policy as well as on neutrality or taking sides. If a policy of detente which supports the goal of cooperation between superpowers does not seem feasible, what is the alternative, asked Sorsa: protest, passiveness, isolation, or perhaps some new schemes for cooperation?

It is interesting that the head of government thus introduced a fresh breath of air into our foreign-policy atmosphere, where clear signs of stuffiness have been perceived. There may be several motives for Sorsa's speech, and the decision to hold it now was certainly influenced to no small degree by Foreign Minister Vayrynen's entry into the presidential race. After all, Vayrynen has shifted to an increasingly conservative stand on foreign-policy issues and has even approached the "realism of disgust" cultivated by Max Jakobson, in which Finland recklessly pursues its own interests and shuts its eyes to violations of the United Nations Charter. This has been noted in the West and evidently in the East as well.

If we disregard certain illogical points of emphasis which appear in Sorsa's speech, we could conclude that its message is a call to exercise a more active peace policy. It is, of course, paradoxical that this is not a new "issue" but a return to the way things were before. After all, the key concept of Finnish foreign policy is peace policy: our national existence is based on it.

Sorsa's speech was, in any case, a welcome shot in the arm. Both the debate on foreign policy and some of our country's foreign-policy measures have been characterized in recent times by a downright excruciating passiveness: opportunities have been wasted, and new ones have not been creatively sought. There is a need both for more active involvement when the UN Charter is violated--for example, in South Africa or in the attack on Libya--and for the more creative imagination called for by Sorsa when we seek new forms of cooperation which promote peace. After all, Finland has not yet announced its clear-cut support for the far-reaching peace program recently approved by the Soviet Union, a program which substantially benefits our country's security.

GREECE

POLITICAL

ARTICLE QUESTIONS PURPOSE, NEED FOR SYRIAN LEADER'S VISIT

Athens I KATHIMERINI in Greek 22 May 86 p 8

[Article by E: "Arrivals..."]

[Excerpts] Very few things are known, both in Greece and abroad, about our brother Hafez Al-Assad, who is arriving as our official guest on 26 May.

While closely connected with our other brother, Col Al-Qadhdhafi, he is a leader with a completely different style, both in looks and behavior.

One thing, however, is certain.

Our guest is a true dictator. No one knows what the freedom he grants to the Syrian people is, but as for offering them the freedom to choose their own leader, this is not something that preoccupies him.

We say this so that our own officials will not start prattling about democratic freedoms and human rights in the various speeches that will be exchanged with him or the officials in his entourage. A man of few words and of serious behavior, without Al-Qadhdhafi's theatrical pronouncements and threats, Assad plays an important role in the troubled world of the Middle East. He is of course closely allied with the Soviet Union, which supports him with more generosity than many of its other allies.

The day before yesterday, a dispatch from the Associated Press mentioned that the Soviet Union is ready to give friendly Syria a significant "gift." Super-modern weapons, 80 MiG-29 and SS-23 missiles, the most advanced equipment in the world's arsenal. Assad will address his thanks to Moscow, a new wave of concern will engulf the region, Israel will start counting its forces and pressuring the United States for more assistance, and as for us, we will continue on the eccentric road we have chosen, a road that is increasingly isolating us and putting more distance between us and our traditional friends and allies.

"But we did not choose him! At least not all of us!" Fearful and angry friends of the West are rightly attributing the responsibility to the PASOK, to Andreas, while noting that the way things are going, we shall have only Albania on our side and we shall be searching for a way to salvation....

There is no hope on the horizon at this time. In a few days, we shall see the Syrian flag flying in our streets. Until then, perhaps we can find out more about our high-ranking friend.

There is one question, however, that we shall probably never get an answer to, and that we shall--discreetly, quietly and among some of us--ask about.... Why exactly did we need him?

/9274

CS0: 3521/148

POLITICAL

ERRATUM: This Brief republished
from JPRS-WER-86-044 of 9 May 1986
to make a translation change.

GREECE

BRIEFS

ERRATUM: U.S. AMBASSADOR BLAMED--It seems that the U.S. ambassador in Greece has a strange conception of what his behavior should be during the time he is serving in our country. There is no other explanation for his recent attempt to invite Greek newspapermen to the U.S. Embassy in order to present to them an analysis of his policy as ambassador of the United States. Some of his first apologies have already been published, and more are threatened. Instead of practicing such "lobbying" activities, the U.S. ambassador--who indeed claims he knows our country and our people, since he had lectured the U.S. Congress on this subject even before coming here--should rather recommend to members of his family to be more careful, and he himself should stop making public comments on parties and personalities of Greek political life. [Text] [Athens POLITIKA THEMATA in Greek 4-10 Apr 86 p 10] /9365

CSO: 3521/132

POLITICAL

ITALY

GOVERNMENT REPLIES TO DC ACCUSATIONS

Rome L'UNITA in Italian 25 Apr 86 p 8

[Article by Guido Dell'Aquila: "San Marino Rejects All the Accusations"; first paragraph is L'UNITA introduction]

[Text] The little state responded to the aggressive campaign unleashed by the Christian Democrats. Revision of the Italian indemnity. Tax evasions and flags of convenience. Arms, gambling houses, TV, airport. An agreement would be desirable.

The San Marino government rejected the charges point by point. It denies having violated the agreement with the Italian state, in effect since 1939 (and frequently violated), or of having created di facto situations conflicting with that agreement. And the arms traffic? And the drug pushing? And the haven for tax evaders? Indeed, what about the whole range of accusations which DC [Christian Democratic party] senator Bernassola and the Rimini Chamber of Commerce had prepackaged, provoking a tense situation between the two sovereign states, to the point of risking a break in relations? The San Marino government authorities, who with great fanfare had called a press conference, organizing two private air flights of journalists from Milan and Rome, have no doubts. The DC senator and the Christian Democratic groups are in strange concord with the local Christian Democratic party. In fact, it is claimed that the whole operation tends to "discredit" the little republic in the eyes of the Italian people and other European states, and may be considered a rather crude campaign to support the "brother" San Marino party which has been forced for 8 years to relinquish the government to leftist forces.

Thus far, this is the local authorities' analysis. But it is interesting to examine the disputed points in a little further detail. That is to say, what is the basis for this apparently artificial controversy? And here perhaps a little background is needed. For nearly half a century the Italian state has been granting the San Marino state an annual indemnity for the "sacrifices" the latter is forced to make. The principal "sacrifices" involve giving up: coinage of money, having customs areas, opening gambling houses, selling for its own account merchandise subject to a manufacturing tax, having its own radio-television broadcasting station. Revision of this indemnity, which the Chamber of Deputies already decided to raise from four and one-half to 9 billion, has recently been under discussion in the senate foreign affairs

committee. Now comes the DC initiative, joined by the PLI [Italian Liberal Party] and the PSDI, [Italian Social Democratic Party] although with differing arguments and emphasis.

It is stated in substance: How can one increase the indemnity to a country on the verge of denouncing the agreement? And for Bernassola the fact that a gambling house has been constructed, that it has been unilaterally decided to open a radio-television station, and that an airport runway has been constructed (another link for San Marino) demonstrates that the San Marino authorities are on the verge of denouncing the drafted agreement, and that--the Rimini Chamber of Commerce adds, with remarkable timing, in its white book--they show no intention whatsoever of curbing the spread of tax evasion. And then there are further reports of the free sale of arms, and of phantom flags of convenience reportedly covering obscure illegal or terrorist dealings.

San Marino replied immediately. An urgent request for a meeting is also pending on prime minister Craxis's desk. In substance, the Italian government is requested to distance itself from the DC positions and to continue its efforts to seek agreement on the disputed points. Meanwhile, Giordano Bruno Reffi, secretary of state for foreign affairs, affirms that no di facto situation whatsoever has been created. The gambling house is none other, in fact, than the congress building closed in 1953 to that kind of operation. The airport runway is a 200 meter unpaved clearing for gliders. The radio-television station is merely a request; made legal, incidentally, by the 1976 sentence of the constitutional court which liberalized broadcasting on Italian territory, (as Susanna Agnelli, herself, undersecretary of foreign affairs, recognized). Meetings between the two states to reach mutually satisfactory solutions to the tax and banking questions are underway. The sale of small arms to San Marino citizens or residents is permitted, while heavy weapons are sold under the control of the gendarmerie, subject to purchaser identification. As for flags of convenience, not even an Italian Register of Shipping operates in San Marino, and no vessel flies the San Marino flag.

These are a few of the responses that the little state made to the Christian Democrat accusations. There is no agreement between the two states on many of these points, but the terrain chosen by both the partners is one of negotiations, as has always been done in the past. And the path of negotiations seems to be the only one leading to good relations in the future. Provided of course that the DC does not consider San Marino another Italian municipality in the hands of the Left, to be reconquered by whatever means, including lies and hoaxes. If such is the case, many things would become comprehensible.

9772/12851

CSO: 3528/129

POLITICAL

PORTUGAL

PSD, PS ALLIANCE SEEN AS INADEQUATE SOLUTION

Lisbon 0 DIABO in Portuguese 15 Apr 86 p 2

[Commentary by Jose Miguel Judice]

[Text] The manner in which the political parties will probably present themselves to the electorate, should early elections be held, is emerging just as the CDS holds its congress. The winners in the CDS and PS will have to assume the leadership of parties that are practically divided down the middle. In the PSD and PRD the political and personal strength of Cavaco Silva and Ramalho Eanes is overwhelming and it can be said that the militants and the leadership are unanimous in their acceptance of the top leader.

Therefore, we must begin to think in terms of the different parties' politics of alliances, especially the PSD because it occupies a key position. It does so, not only because it is the governing party, but mainly because the main possible alliances depend on it. There are four options open to the PSD. The first of these involves an alliance with the PS, the second an alliance with the PRD, the third an alliance with the CDS and the fourth a rejection of any overall national alliance.

The political evolution of Portugal will differ according to the option chosen by the PSD. Obviously, this will not only be so in the short term. The PSD's strategy of alliances will probably affect the medium term, especially since the Portuguese political system is going through a phase of great plasticity. This means that short term decisions tend to create or favor changes in the correlation of forces and even the composition and number of existing parties. For this reason, it will be understood why I will dedicate a few articles in this column to the various possibilities noted above. I will begin with the least probable, least desirable and least logical of all of them: a national level coalition strategy involving the PSD and the PS.

This proposition has been made by Alberto Joao Jardim in the PSD and it seems to be based on two arguments. On one side there is Gen Eanes who was Sa Carneiro's main enemy and the PRD has not defined its position. On the other side, the CDS would not permit the PSD to obtain a majority in the Assembly of the Republic were they to form an alliance. There is an implicit thought in these arguments that assumes an alliance would be formed with legislative elections being held. It further implies PS acceptance to form a government, at a given time, in which the prime minister would be a member of the PSD and, it seems, he would be Cavaco Silva.

This is an improbable, undesirable and illogical alliance. It is all this either under the supposition that there will be no elections or under the supposition that early elections will be held. This is improbable. In fact Cavaco Silva's personality, the PS's record, the rivalry between the two parties would suffice to make this a purely speculative solution. To this must be added factors that are more far reaching which should be explained. The first of these is the simple fact that the PS has chosen a new leader without arriving at a consensus.

It does not matter who the winner is at the PS congress. Whoever it is knows that he will be forced to ally himself with the PSD and its government at the 1988 congress. This is the reason that the PS in reality will lead the opposition. In addition, what future would a secretary general have in the PS if he were to propose a solution making him number two to Cavaco Silva?

The second factor in all this would be the protests from the PSD's supporters in the event of such an alliance especially since recollections of the Freitas do Amaral campaign remain. Should the PSD choose to remain in power at that price, it would inevitably be penalized in the inevitable elections in 1989. Would Cavaco Silva then endure the 1988 congress.

However, this solution, in addition to being improbable, is undesirable. This is particularly true for the PS. In fact, the PS is recovering from a serious crisis which Soares' election merely hid. The crisis is ideological and cultural (How to be a socialist at the end of the 20th century?), strategic and political (How can the PS lead the Left?) and psycho-sociological (How to attract voters without losing its identity?). The worst thing that the PS could do would be to accept a subordinate political role in order to return to power.

The PS must prepare itself to lead the Left and make the PCP a small marginal or satellite party. It must renew its faith in its roots. It must participate actively and without complex in revising the constitution. It can only do this as an opposition party. The PS cannot continue to try to fill the space more to the right than is normal and, above all, do it under the hegemony of a mediator.

Finally, this solution is illogical. In fact, had the PSD's goal been to form an alliance with the PS, it should not have invested politically in its right by supporting Freitas do Amaral. It should not have forced legislative elections that in a way contributed to the results the PRD was able to obtain. It should not have chosen to strengthen itself in its confrontation with the PS in, for example, the UGT.

Certainly logic is not everything, not even the essential thing, in politics. Nevertheless, it is still something. No one can build something solid on dreams and absurdities. A pre-electoral or post-electoral alliance with the PS is now, and in a foreseeable future filled with conjecture, an unreal and inadequate solution for the Portuguese political regime.

If this is so, then the need for the PS and the PSD to consider themselves privileged interlocutors is something entirely different. They are the two

main Portuguese parties between which power alternates and they are the fundamental agents of modernization and creators of conditions for prosperity. To this end, they must be aware of the fact that they belong to what I have been calling "the constitutional arc." This means that there must be contacts, consultations and collaboration for the good of overall national goals which must be separate from the place (government or opposition) each party occupies.

9935/9435

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POLITICAL

PORTUGAL

PSD ALLIANCE WITH CDS JUDGED UNSUITABLE

Lisbon O DIABO in Portuguese 29 Apr 86 p 2

[Article by Jose Miguel Judice]

[Excerpts] A consensus is forming in Portuguese society with respect to the advantage or inevitability of the political alternative becoming one bloc headed by the PSD [Social Democratic Party] and another led by the PS [Socialist Party]. Perhaps this will displease one or another politician caught against the course of history, but it is certain that only pure surrealism could bring some militants of the PSD or the JSD to defend a preferential alliance with the PS precisely at a time when the only thing that Gama and Constancio agree on is the rejection of an alliance with the PSD!

Be that as it may, this brings up the question of an alliance with the CDS [Social Democratic Center Party], theme of this week's article, after having here excluded in the past 2 weeks an alliance with the PS or with the PRD [Democratic Renewal Party]. Should the PSD form with the CDS a new AD [Democratic Alliance], a pre-electoral grouping materializing in joint lists? For some in the PSD, it should not form any type of alliance, and agreeing with this are many members of the CDS who abandoned it after the victory of Adriano Moreira. For others, the AD should be resurrected. For me, neither the one nor the other should be adopted as the strategy of the PSD. But let us proceed by steps.

An alliance with the CDS (or its rejection) has nothing to do with who leads it, but with the party in itself, which obviously is not substantially altered since its change of leadership.

It would be absurd, therefore, to decide a priori and with negative bias the question of an alliance with the CDS based on its internal voting. Such a question should be decided concretely and in accordance with programs, situations, and plans. My disagreement concerning the advantage or utility of a pre-electoral alliance with the CDS at a national level has to do with other factors and is completely indifferent to the name of its leader. It has to do with two orders of reasons, each of which in itself justifies rejection of this option.

The first reason is psychological. For a varied complex of circumstances, the electoral "weight" of the PSD is very disproportionate in relation to the CDS. It would not be an exaggeration to place it at a ratio of 3.5 or 4 to 1. Joint lists drawn up on this supposition would inevitably be an institutionalized source of friction and bad feeling, since to respect this proportion would be taken by the CDS as a humiliation and not to respect it would be taken by the PSD as an unjustified concession. And within each party a guerrilla war would break out over the decision taken.

The second reason is political and cultural. There exists without a doubt a sociological magma that made the AD something more than an arrangement between parties. This was proved by the campaign of Freitas do Amaral. But there does not exist a community of objectives or solidarity of membership or even of militants in the two parties, just as there does not exist a strong social movement in the sense of a coming together and alliance between the two. On the contrary there exists a social tendency contrary to party alliances and to the laborious and sometimes shameful negotiations to which they lead. For better or for worse, the environment favors the monocolor, and the growing cultural debate is emphasizing ideological and programatic positions, that which separates the parties and not that which they have in common.

A pre-electoral alliance at the national level, with joint PSD-CDS lists, would be an artificial solution today--limiting, a potential generator of conflict and tension, certainly more stable and equilibrated than the central bloc alliance, but surely more inefficient and problematic than the minority government that exists now.

The central question remains: The nation needs a government with majority support to preserve a legislature and make reforms; the PSD needs to open up; and the non-socialist electorate does not want to scatter its vote and thus end up indirectly favoring the socialist bloc.

This being the case, one question remains open, in the final analysis the essential one: How would it be possible to achieve solutions that respond to the needs mentioned above, if the PSD rejects an alliance with the PS or the PRD or an alliance with the CDS of national scope and joint lists? How would it be possible for the PSD to gain majority support in the Assembly of the Republic?

The answer, and there is an answer, remains for next week's article, which ends the series of four that I have written on the subject.

12942/12947
CSO: 3542/100

POLITICAL

TURKEY

SYRIA SEEN AS STUBBORN IN REACTION TO TURKISH PROBLEMS

Istanbul CUMHURIYET in Turkish 3 Apr 86 pp 1, 11

[Commentary by Cuneyt Arcayurek]

[Excerpt] Ankara - Some of Turkey's "internal problems" also came up among [National Assembly] cloakroom conversations. A favorite, of course, was to dissect the state's success in the measures it is taking and actions it is performing against the brigandage in the southwest. Interior Minister Yildirim Akbulut sees the "distinctions between state and popular tendencies" this way:

"I know," Akbulut said, "If we went out on the street, our people who are closely acquainted with the sources of the brigandage would want them hit and wiped out at the source."

The problem surely came out of the difference of opinion in this regard with Syria. The Syrian prime minister's visit to Turkey was perhaps useful from this standpoint. But no discernible consensus was reached on our ways of looking at the problem. According to Syria, the training at guerrilla camps located in its country is not aimed at Turkey in any respect. They are camps more against Israel, having to do with the Lebanon problem. As soon as Turkish authorities started talking about gangsters coming to Turkey from camps in Syria, they got firm denials in response. Nevertheless, state intelligence has evidence that many of the gangs coming into the southeast and committing crimes hide out in Syria and are even trained there.

There should perhaps be no doubt of the Syrian prime minister's good will, but Syria's main problem is "water." While denying that anyone is coming out of their camps, he is also asking Turkey for assurances about water, but Turkey does not consider it appropriate to give this one-sided assurance -- especially in a written text -- as long as incidents like this are going on and when it knows that the guns shoved in its belly are coming from Syria.

The date for Prime Minister Ozal's official trip to Syria has not been specified yet. Even so, an undertaking such as the prime minister's going to Syria "as soon as possible" and placing our weight on the outlaw problem and getting realistic results is being carefully considered at the state level. At least, the Foreign Ministry's view is centered around this point.

8349

CSO: 3554/40

POLITICAL

TURKEY

UNITY APPEAL BROADCAST TO TURKISH KURDS

Istanbul TERCUMAN in Turkish 2 Apr 86 pp 1, 12

[Article by Metin Akkoc: "Mesut Barzani: 'Join Us, No One Can Establish a State with 2,000 People'"]

[Text] Diyarbakir (TERCUMAN) - When Abdullah Ocalan (Apo), leader of the outlawed separatist KLP [Kurdish Labor Party] which is actively engaged in efforts to claim a portion of Turkish territory in the eastern and south-eastern Anatolian region and establish a break-away Marxist-Leninist state, requested shelter and assistance from Kurdish Democratic Party (KDP) leader Mesut Barzani as a result of the recent incidents, the top KDP officers issued a call to KLP supporters via clandestine radio.

The KDP top military spokesman, Faruk Bejnavi, made clandestine radio broadcasts immediately following the death of Mahsun Korkmaz, the KLP's "chief of staff," saying, "The attitudes of KLP followers are wrong, no one can establish a state anywhere in the world with these methods." He said in his invitation to KLP members:

"Hundreds of thousands of Peshmerge have been fighting to establish a Kurdish state in Iraq since 1942. Today, our Peshmerge numbers 200,000. We have 1,500 villages under our control. Even under these circumstances, we have been unable to date to establish a state. The KLP members who want to establish a Kurdish state in Turkey and whose total numbers are between 2,000 and 3,000 cannot, under these circumstances, establish a state anywhere in the world, much less Turkey. Come join us, take your place in our ranks and let us fight together against Iraq. Let us expand the 200 kilometers of land we now have in our hands and establish a Kurdish state together."

According to news leaked from Iraq, the outlawed KLP leaders will arrange a meeting to be chaired by KDP leader Mesut Barzani between 11-14 April.

Quadruple Front Contract Terminated

The KLP, the KDP, the Kurdistan National Liberationists and the Iranian Kurdish Democratic Party got together in Iraq in 1984 and established a joint front to act against Turkey. They signed an agreement. However, KLP militants assassinated four members of the "Muakits," an organization attached to

the KDP, and Muakits retaliated by murdering five KLP militants, one of them the camp chaplain. After these incidents, the "action against Turkey" agreement that they had signed came apart in May of the same year.

When KLP leader Abdullah Ocalan again sought shelter with Mesut Barzani and asked for help and support after the recent events, Barzani was heard on clandestine radio to say that his own Peshmerge were fighting against Iraq in line with their own goals and that if he were going to support the KLP in its efforts against Turkey he would have taken Turkey as his opponent. "I cannot open two fronts, my goal is Iraq. I have no quarrel with Turkey. Take your place at our side and fight against Iraq," he said.

8349

CSO: 3554/40

MILITARY

DENMARK

SOCIALISTS COMPLETE DRAFT ON 'PEACEFUL DEFENSE' ORGANIZATION

Force Structure Proposals Detailed

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Nils Eric Boesgaard: "The Social Democrats' Peaceable Defense: Background"]

[Text] The Social Democratic Party is ready with an entirely new plan for reorganization of the armed forces. The plan calls for a nonoffensive defense system--a defense system which in its structure demonstrates peaceable nonoffensive aims. It is first and foremost the Social Democratic Party's defense policy spokesman, Knud Damgaard, who gave the name to the plan, but he has had as a military expert the ex-assistant-secretary in the Defense Ministry and the Armed Forces Command chief of staff, Colonel G.K. Kristensen. BERLINGSKE SØNDAG analyzes the Social Democratic plan, and we have obtained a commentary from Defense Minister Hans Engell (Conservative Party) and also asked a military expert, Major Svend Bergstein, to assess the nonoffensive defense system.

"The purpose of a Danish defense system is to be peace-preserving and to demonstrate our will to preserve the Danish democracy. A nonoffensive defense system is aimed at which by its structure demonstrates peaceable nonoffensive aims, but which at the same time possesses the ability to cause an attacker decisive losses in and from our own sovereign territory."

This is how the objectives clause reads in the proposal for reorganization of the Danish defense system which the Social Democratic Party is working on but which it has not yet published. It was formally prepared by the party's defense policy spokesman, Knud Damgaard, but is really the result of close cooperation with Colonel G.K. Kristensen, who at one time, while he was assistant secretary in the Defense Ministry, prepared a similar draft for then Social Democratic Defense Minister Kjeld Olesen.

The proposal is in many ways surprising. Apparently it works with unlimited funds for procurement of materiel:

"The armed forces' future investment in materiel must aim toward new coordinated arming of the forces."

Strengthening of the standing force is proposed, which is to number 7000 professional soldiers, so that "reasonable capabilities for action in the face of disquieting small episodes" are achieved.

On the other hand, it is desired that obligations toward NATO be limited:

"The home defense of Jutland and the islands will be strengthened, among other things, via a reduction of susceptible areas and especially of exposed coastal areas, via a reduction of forces for the defense of Schleswig-Holstein. Our effort must for this reason be reduced in Schleswig Holstein in coming years."

"And," it is postulated, "this would not entail Denmark's losing decisive influence in the command system."

The critics of the plan, among others, Defense Minister Hans Engell, consider this point extremely serious for the continued NATO alliance.

There has as yet been no NATO reaction, but in connection with the similar Social Democratic proposal which was published in "Beretningen fra Forsvarskommissionen af 1969" [Defense Commission Report of 1969] the chief of the NATO forces declared:

"Although the proposals are based on Denmark's NATO membership, they pay no regard to the obligation of mutual support. The proposals are based on the assumption that NATO will receive sufficient warning. But the Warsaw Pact to an increasingly greater extent has been able to take military action with little or no warning. The proposals are founded on false premises; the threat has been erroneously assessed; the plan will seriously reduce Denmark's ability to defend itself."

The proposal, for example, turns upside down all plans up to now with a remark that "the land forces will be built up as mobile forces which in cooperation with long-range artillery and the air force can support the Home Guard." It seems to appear from this wording that the Home Guard is to be a frontline force, which has never been the aim previously, and which it is neither trained nor equipped for.

It is foreseen that the navy's big units and submarines will be abandoned, while the main emphasis is placed on mines and coastal batteries with Harpoon missiles.

As far as the air force is concerned, emphasis is placed on a defensive air defense effort, including protection of the civilian population.

The proposal wants the reinforcement agreements renegotiated for worry that reinforcements will be perceived as a provocation, and believes that "the standing forces in effort readiness" will be able to be a "weighty part of crisis management readiness in peace time so that mobilization at the wrong moment can be avoided. The adversary must at all costs not feel provoked," it reads.

Present Armed Forces (Strength Target as of 1987)

Army: Peacetime force--20,340 men; tanks--256; armored vehicles--718; artillery--248.

Navy: Peacetime force--8155 men; larger combat units--9; submarines--4; smaller combat units--25.

Air force: Peacetime force--9125 men; fighter planes--three F-16 squadrons and two Draken [Dragon] squadrons.

Nonoffensive Defense (According to the Social Democratic Proposal (Knud Damgaard))

Army: Peacetime force--22,900; standing effort force of 7000 men.

Navy: Peacetime force--6100 men; navy materiel: Frigates and submarines to be abandoned. Three corvettes, 10 missile boats, 13 Standard-Flexes, 4 minelayers, 2 cable mine layers, at least 4 mobile Harpoon batteries.

Air force: Peacetime force--8100 men; 5 or 6 fighter squadrons with about 80 planes, including 52 F-16's and 32 Drakens.

Warsaw Pact (in the Baltic Area)

Army: 1.3 million men with 32,100 tanks.

Air forces: 4000 offensive fighter planes of which a considerable percentage can carry nuclear weapons.

Navy: 30 missile and conventional destroyers, 60 submarines, 100 landing vessels, a considerable number of escort vessels, about 70 motor torpedo and motor missile boats.

Defense Minister Asserts Risks

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Nils Eric Boesgaard: "Hans Engell: An Unnecessary and Risky Adventure: Commentary"]

[Text] "Denmark's defense must not be based on miracle solutions and flighty ideas," Defense Minister Hans Engell says in light of the Social Democratic draft for a new defense plan.

"It is a catastrophic error to believe that a miracle solution can replace lacking appropriations. Danish security policy cannot be based on airy ideas and flighty notions," Defense Minister Hans Engell says to BERLINGSKE TIDENDE in light of the intensified Social Democratic talk of a so-called nonoffensive defense.

"I am deeply disturbed about the proposals which have been advanced regarding withdrawing the Danish forces from Schleswig-Holstein and going over to what is characterized as a nonoffensive defense system," the minister says.

"One of the ideas is that the Jutland Division is to first be able to be brought into action in a battle from prepared positions north of the border and not, as hitherto, in the planned area in Schleswig-Holstein."

"It will be a totally new policy which will create very considerable problems for the Danish armed forces, and it will raise the question of the NATO unitary command's continued justification. The unitary command, which we have had since 1961, and which is based on a joint effort between the Danish and German forces, and which has always been under Danish command."

Incalculable Consequences

"The new line will have totally incalculable consequences," the defense minister says, and continues:

"Firstly, it must certainly be in Denmark's interest that the battle is waged as far as possible outside Danish territory. This will mean that we to a considerable degree will avoid civilian losses and devastation. In addition is the fact that the best suited areas for defense from a military geographic standpoint are in southern Schleswig-Holstein. The geography is far more well suited there and it would be totally irresponsible to let the Danish forces stand in a waiting position in an area which is more difficult to defend."

"The Danish and German forces in the unitary command have been proportioned to one another with a view toward countering the forces which an expected attacker will be able to bring into action."

"If they were to act individually, it would give the attacker an opportunity first to defeat the Germans and then make mincemeat out of the Danes. And this would mean, if the same effectiveness is to be maintained, that the forces would have to be increased considerably. It is in a joint effort that there is strength."

"The deployment of Danish forces in Schleswig-Holstein is based on a parliament decision from 1951. In this it read: 'The committee's majority is of the opinion that Danish troop forces stationed in North Germany will cover Denmark's southern border and take part in the defense of the country at least to as high a degree as if they were stationed in Denmark.'"

"And this has since then been the basis for our defense planning."

"If Denmark just wanted the Jutland Division deployed on Danish territory, it would be a rejection of the mutual solidarity and it would be a totally decisive break with NATO's strategy."

"We will not encounter any understanding from the other countries and then none at all in West Germany."

"In addition, then, there are the more far-reaching consequences. This concerns, for example, to what extent it would be possible to maintain the unitary command with a separation of the defense of Denmark and Schleswig-Holstein. To what extent the Germans will accept a Danish commander if there were not Danish forces present in the area."

"When the unitary command was established, then Social Democratic Defense Minister Poul Hansen said: 'From a military viewpoint and in consideration of the geographical conditions, the defense of Denmark and Schleswig-Holstein with the neighboring waters must be considered as one mission. It is for this reason natural and it will produce the best outcome for the mission to be united into one pair of hands.'"

"The other possible consequence is the effect on the reinforcement agreements. If it is imagined that Danish military units will under no circumstances be solidary with our allies--not even with our neighbor--then the question can be asked whether it would not be asking too much for them to display solidarity with us and come to our rescue."

"This in my opinion would be an expression of a hardboiled national egoism which is certainly not in accordance with the ideas of the whole NATO alliance. Therefore, in the final analysis it raises the question of Denmark's continued participation in the integrated military alliance. It would," Defense Minister Hans Engell concludes, "be a question of a totally unnecessary and risky adventure."

Army Major Opposes

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Major Svend Bergstein: "War is Unpredictable: Assessment"]

[Excerpts] Before broaching an actual discussion of the so-called "non-offensive defense," it is necessary to fully realize what form of war we are talking about. It is a question here of a conventional (and perhaps a chemical) war between NATO and the Warsaw Pact (WAPA).

There are two "pure methods": a war of attrition, and a war of maneuvers. A war of maneuvers in its "pure" form, where it is just a question of out-maneuvering the adversary to such an extent that he gives up without a fight, has not been seen since the time of about 1525-1625, when the so-called condottiere warfare took place in Europa.

The "pure" war of attrition is taking place at the moment between Iran and Iraq, in which tens of thousands of people are being sacrificed in a senseless orgy of violence.

All highly developed countries have up to now desired--and demanded--to be able to conduct a war of maneuvers under one form or another, offensive or defensive. This type of warfare in its basic idea does not aim at massacring people. It aims at getting the adversary into a situation in which he in the most rational manner can be made defenseless through the use of violence or the threat of the same.

WAPA has for the present organized its armed force so that they can conduct both an offensive and defensive war of maneuvers, but with emphasis on the offensive element.

NATO's forces can wage only a defensive war of maneuvers. That is, that they--it is hoped--are in a position to intercept and repel a WAPA offensive without the use of nuclear weapons. However, this in no way means that conducting military actions in the adversary's territory, for example, with air attacks on military installations, will be refrained from. But it means that on NATO's part it is not possible to conquer and hold onto East European territory.

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MILITARY

DENMARK

PEACE RESEARCHER BACKS SDP DRAFT URGING 'NONOFFENSIVE' DEFENSE

Copenhagen INFORMATION in Danish 23 Apr 86 pp 1, 12

[Article by Jorgen Dragsdahl: "Peace Researcher: Fine Defense Proposal from the Social Democrats"]

[Text] The Social Democrats' internal proposal for a "defensive" defense is "outstanding" according to Anders Boserup, an internationally known expert in the field.

"The proposal is based on some superior ideas, and is not merely a way of patching up the existing situation," says Boserup.

Boserup is heading up a project at the Center for Peace and Conflict Research which is analyzing the opportunities for greater European security which would be afforded by a nonoffensive defense. Neither Boserup nor any of the others at the Center have been involved with the group of Social Democrats who, under the leadership of Knud Damsgaard, worked out the proposal. The proposal has not yet been officially released, but INFORMATION is in possession of it and has described it in a number of articles. INFORMATION has provided Boserup with a copy.

Naval Defense

Boserup finds the ideas presented with regard to naval defense to be especially "well thought-out". The proposal is "clearly defensive", and the ways in which it will increase crisis stability have been stressed in particular.

One element of the proposal is that missiles which are intended for use against ships be deployed in a mobile fashion on shore. Critics have said that people will protest against this, referring to the protests evoked by the deployment of Hawk anti-aircraft missiles in Odense. Boserup counters that that protest was an expression of "an antimilitary mood which is directed against whatever object presents itself."

"The missiles will not be deployed in peoples' backyards," says Boserup. "They can be stationed in military areas and moved out into the surrounding country in crisis situations."

High Readiness

"If Denmark's defense is to serve as a deterrent to war, a high degree of readiness must be exhibited, so that we cannot be caught by surprise, and it should also have good endurance. Invulnerability is a particularly important factor. The proposal tries to meet these criteria," Boserup feels.

However, he is less enthusiastic about the importance given in the proposal to reinforcements from without. "This is an inexpedient and crisis-escalating concept, since such reinforcements will be brought in at the worst time."

Nevertheless, he concedes that "reinforcements are an unavoidable part of a transition period" and says "it would be good if we could less dependent over the long run."

He says that the planned expansion of air bases, which are to be used by foreign aircraft, is questionable, since these bases are vulnerable and attract attack.

Significant Reforms

The proposals contains "significant reforms," says Boserup. "These reforms are evident in the area of technology, where foresight has been exercised, and in the structure of our defenses, where smaller units and greater dispersion have been stressed."

Furthermore, he deems the analysis of Denmark's strategic situation to be a much needed revision of old ideas. The proposal dispenses with the oft-mentioned importance of the Straits and undertakes a "realistic threat evaluation".

One of the best things about the proposal is that it is a "sketch of ideas" which can be explained to NATO. "The allies should see that a solid effort is underway. Our responsibility for defense is taken seriously, something which is not done under the present structure."

"The Soviet Union will definitely not view this as unilateral Danish disarmament," Boserup adds.

He expects that the proposal will generate strong interest in those circles which are involved in the development of nonoffensive defense internationally.

He has just returned from a meeting of the Pugwash Association, which consists of researchers and military people from East and West who are interested in arms control. After the meeting, participants in the Security Conference in Stockholm were given a document describing nonoffensive defense. According to Boserup, this information received a positive reception from both East and West. "It is my impression that something is really going to happen in this field now," he says.

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MILITARY

DENMARK

SDP DEFENSE SPOKESMAN DAMGAARD COMMENTS ON SECURITY STUDY

Copenhagen BERLINGSKE TIDENDE in Danish 9 May 86 p 10

[Article by Carl Otto Brix: "SDP Defense Plan to Old Compromise Partners, Not Socialist People's Party"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Social Democratic Folketing group will discuss the proposal from the party's defense policy committee on Wednesday.

The Social Democratic Party's defense policy committee is now putting the final touches on a proposal for a future defense structure.

The proposal has already been much discussed in the press, but SDP defense policy spokesman Knud Damgaard said that the discussion came too early.

The proposal is not yet in its final form.

"I have not been able to enter the debate and deny some of the things that have been said because we had not yet reached the end of the road," said Knud Damgaard.

He said he would accept the label "defensive defense" that has been attached to the Social Democratic plan, but he pointed out that this could cover many different forms of defense.

The defense proposal has not been designed as a defense policy foundation for a government consisting of the Social Democrats and the Socialist People's Party. "It is a plan," said Knud Damgaard, "for a continued broad compromise among the parties supporting the defense agreement that is now in effect." Those are the four government parties and the Social Democrats with the backing of the Progressive Party.

Defensive Defense—Including Armaments

Knud Damgaard said that NATO is actually a defensive organization. It was set up to defend the member countries, not to attack anyone. But this assessment must be designated as political. If one takes the idea further there must also be a defensive defense in terms of weapons technology.

But that kind of situation is not created all at once or in a short period of time, among other things because the current weapons will continue to be part of the arsenal. The Social Democratic plan operates with a 12-year transition period.

On Wednesday the Social Democratic Folketing group will take a stand on the defense committee's proposal.

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MILITARY

DENMARK

MINISTER ANNOUNCES MOVES TO RETAIN OFFICERS, ATTRACT 'BEST'

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 86 p 6

[Article by Nils Eric Boesgaard: "Armed Forces Competing with Private Job Market"]

[Text] Defense Minister Hans Engell announces jobs filled by posting, fewer ordered transfers and rapid advancement for officers.

"Positions as officers or technicians in the armed forces will in the future be filled to a greater extent by posting. That is, the individual will have greater coinfluence on where in the country he or she will get to do service." Defense Minister Hans Engell says this in connection with a series of new efforts to modernize the working conditions of the officer corps and other permanent personnel.

The defense minister hopes that the new system will alleviate the problem concerning transfers, a problem which has become aggravated in pace with officers' wives' growing desire for their own careers.

"Of course, the armed forces will never be able to totally avoid a system of orders. There will always be situations in which positions are filled by orders. But the 10 or 20 transfers which formerly were an inevitable part of an officer's career will no longer be necessary," the minister adds.

"In coming years the armed forces will have to submit to stiff competition from the private job market as far as the recruitment of young people with leadership ambitions is concerned."

"The age group will gradually become smaller, and the competition between the armed forces and firms to attract energetic young people will increase accordingly."

"If we are to attract the best of the young it is necessary that we draw attention to the fact that there is a future in the Danish armed forces."

"This effort is to be seen in light of the fact that today we have a certain shortage of officers and that over the last two years we have had considerable resignations of younger officers."

"According to a study made by the Armed Forces Center for Leadership, the most important reason for the officer drain is salaries, but they are subject to the possibilities which, for that matter, hold true for the public sector," the minister says.

"The poor opportunities for advancement are another weighty reason. However, this should be remedied in the new officers' training, which presupposes a greater connection between function and rank. That is, in coming years we will see far more young commanding officers."

"Finally, an important role is played for many by how they see the political support for the armed forces," Defense Minister Hans Engell concludes. "If they feel that there is uncertainty regarding the Danish armed forces, if they feel that there is declining political support for the armed forces, then it is obvious that this will affect morale, and the individual officer might consider whether it is in the armed forces that he will spend the next 20 to 30 years of his life."

8831

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MILITARY

DENMARK

PROCUREMENT FUNDS AGREED ON AFTER COMPROMISE ON COPRODUCTION

Government Accepts SDP Demands

Copenhagen AKTUEL in Danish 18 Apr 86 p 4

[Text] Copenhagen: The battle between the parties in power and the Social Democrats regarding a total defense appropriation of 2.2 billion kroner has been resolved. The appropriation is expected to be approved at a special session of the Finance Committee today, thereby resolving an issue which could have led to a serious political confrontation between the parties involved.

Satisfied with Compromise

The compromise on this issue, which had been negotiated by the Folketing's Financial Committee for close to a month and half, was reached at a meeting yesterday between representatives of the Social Democrats, Finance Committee Chairman Ivar Hansen (Liberal) and Defense Minister Hans Engell (Conservative). It appears that all of those involved came away satisfied with the compromise which was achieved.

The disagreements concerned guarantees of coproduction/compensation purchases involving Danish companies in the billions of kroner defense orders. The Social Democrats felt that previous regulations were far too vague and of insufficient scope to assure that Danish companies would be awarded contracts and that Danish jobs would be preserved.

Conditions Stiffened

"We have stiffened up the conditions of the appropriations. Our main objective throughout has been getting guarantees of increased Danish coproduction/compensation involvement in defense purchases. We have now succeeded in getting the necessary guarantees," says Finance Committee member Hans Peter Baadsgaard (Social Democrat).

"In addition, we have now been assured that Danish companies will be directly involved in the Ministry of Industry's negotiations concerning Danish coproduction. We have also been promised that the Finance Committee will be kept informed concerning the results of further negotiations between the

defense suppliers and the Danish companies, and we will be watching that situation very closely," says Hans Peter Baadsgaard (Social Democrat).

"There is a terrific squeeze on Danish exports. Danish companies are losing out on shares of various markets, including high-tech markets. That is why Danish companies have use for all of the know-how they can get which might enable them to share in some of the billions spent for defense," he says.

"We are satisfied with the results we have achieved, and will vote for the full appropriation today. Finance Committee Chairman Ivar Hansen is totally wrong in trying to present the situation as though we were trying to create a rift in the defense spending compromise. We stand by that agreement, and we would also like to point out that this issue is not defense-related, but is rather a purely industrial/political problem," says Baadsgaard.

Defense Minister Hans Engell is also satisfied with the compromise. He finds it only natural that the Finance Committee should be concerned with the issue of Danish coproduction, when such a comprehensive appropriation is under discussion. "It is in everyone's interest to secure the maximum possible Danish coproduction/compensation," says the minister.

SDP Press Organ Comments

Copenhagen AKTUELT in Danish 18 Apr 86 p 10

[Text] It is hard to believe that the government allowed so many weeks to go by and almost allowed a rift to occur in the defense compromise before bowing to a demand for guarantees of Danish coproduction involvement in the new defense appropriation, which concerns billions of kroner. The conflict has not been resolved to everyone's satisfaction, and Defense Minister Hans Engell (Conservative) declares that it is only natural that the Folketing's Finance Committee be kept fully informed, and that it can only be in the best interests of Denmark for efforts to be made to ensure that the work is performed by Danish companies!

The entire conflict could have been avoided if the defense minister had not demanded his "right" to control developments alone without the "untimely" involvement of the legislators whose votes were necessary to push the appropriation through. Perhaps leaders of the parties in power also wished to use this issue to trump up some new, artificial conflict, which does not really exist, in the area of defense policy.

At no time has anyone expressed any doubts regarding the defense compromise agreement. The entire conflict has revolved around our efforts to secure guarantees to ensure that the huge defense materiel purchases will also do the Danish economy some good.

Despite strict trade agreements and the government's cutbacks, Denmark has lost some of its share in the export market over the last few years. Danish industry has an enormous need to be in a strong position in terms of high-tech development, and it is therefore only natural that multi-billion kroner purchases of high-tech materiel for defense be made in such a way that Danish companies benefit.

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MILITARY

DENMARK

FIRST 'GENERALIST' OFFICERS GRADUATE FROM OTS COURSE

Copenhagen BERLINGSKE TIDENDE in Danish 1 May 86 p 17

[Article by Nils Eric Boesgaard: First Unit Officers Are Now Ready for Service"]

[Text] Defense Minister Hans Engell was the first to wish good luck to the 65 new first lieutenants and 11 older officers, newly promoted to captain, who graduated from the Army Officer Training School at Frederiksberg Castle yesterday.

The school has been training officers for the Army since 1869, but yesterday's graduating group was the first to have completed the all-new, 30-month officers training course, and from now on there will be only one line of commissioned officers, the so-called "unit officers".

The idea behind the new training process is that in future officer positions will, to as great an extent as possible, be filled by applicants who have qualified themselves by means of supplementary courses.

Defense Minister Hans Engell apologized in his speech to the young officers for the fact that the Army's structure has not yet been firmly established. "However," he said, "you are much needed, and there is no better officer training in existence than that which you have received."

The group of new first lieutenants includes the first Icелander in recent memory. He is Magnus Bjarnason, who paid for part of his education himself and who will now serve in the ranks for two years in The Royal Bodyguard. The reason for Bjarnason's presence in Denmark is that he wishes to enter the Icelandic foreign service, which is interested in civil servants with military backgrounds, particularly in terms of its dealings with NATO.

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MILITARY

DENMARK

AIR FORCE PILOT ON TRAINING, JOB ROUTINE, FLYER DRAIN

Copenhagen AKTUELT in Danish 28 Apr 86 pp 14-15

[Article by Povl E. Norager: "Jet Pilot Aware of Risks"]

[Text] "Of course my colleagues and I don't call home every day and say, 'Hi, honey, I got down all right after today's flight.' And we don't call up if we're going to be 5 minutes late coming home from work either. If we did that, neither we nor our wives would be suitable for air force work."

These remarks were made by 27-year-old First Lieutenant Leif Jensen, also known as "Nim," a pilot in squadron 723 at Alborg Air Base. The air base has two squadrons, 723 and 726. Pilots in the latter group have also been nicknamed the "phantom boys." A name that stems from the squadron's colors and call sign.

"Nim" is not someone who dreamed all his life of being a jet pilot. The idea first struck him when he was in senior high school and realized he did not want to go on studying.

"I signed up for the entrance exam and was one of the lucky ones who passed," he said, with exaggerated modesty.

Big Attrition Rate

One out of every thousand who dream of a life as a jet pilot realizes that dream and a good many of them--almost half--drop out after going through the 5 years of training and, like "Nim" today, becoming fully trained combat pilots in the Danish Air Force.

Five of his original 11 classmates dropped out after their tour in the United States, where final combat training is given. Either they or the air force decided they did not measure up after all.

"To be quite honest, I don't know if a pilot's training costs 5 or 10 million kroner, figures that have been brought out in the public debate. One can also discuss whether an airplane costs 80 or 100 million kroner, depending on equipment, etc., but it is correct that one has to go through a damned long, expensive and demanding training period."

"Nim" had his first flight training--in a propeller plane--at the Avno flight school in southern Sjaelland and after that he went through a 14-month jet pilot training course in the United States.

Aware of Risks

"We fly one of the most advanced airplanes in the world. We have gone through the best possible training and of course things go quickly when something happens in an F-16, but we still don't sit there and wonder whether we are going to crash or if we will survive the day's flight. If we did think that way it would be time to look for another job.

"We are aware of the risks involved in our job, but we are not afraid of them. We are not supermen, we don't think we are invincible, because if we did think that we would be just as dangerous as frightened pilots.

"We have confidence in ourselves and in the materiel we work with. We get an excellent training in handling dangerous situations and therefore it may be in order to dispel a few myths. One is that if a jet engine stalls, the plane immediately falls to the ground like a stone. That is not true. If the plane is at a reasonable altitude and proceeding at a reasonable rate of speed, one can certainly gain altitude and thus have more leeway to get the airplane under control again. One can also make a glider landing in an F-16, even if it involves a rather steep dive and a somewhat hard landing, but it is certainly not impossible.

Other Myths

"Then there is the myth that a pilot who wrecks a plane is through in the air force. That isn't true either. Many times--perhaps most times--a plane crash is due to human error. We all make mistakes every day and pilots are not superhuman, as I said.

"Although an airplane is an expensive piece of equipment to lose, I would like to point out that the air force puts a much higher priority on pilots than on airplanes.

"Pilots have the best training and--in a crisis--they are supposed to save their aircraft, but pilots come first, so a plane crash does not have to mean saying goodbye to the air force, although it is not the smartest thing in the world to wreck an airplane because of gross negligence or carelessness.

"Some people also say that pilots go up even if they have a bad day. That is not true. A pilot can always say--without its having a negative effect on his career--that he has a headache or the flue or for some other reason he does not feel fit to fly and then he is excused from the day's active flight duty. No pilot is ever forced to take off against his will. Self-discipline is also high enough that even though pilots are not teetotalers, they do not report for duty with hangovers. A pilot might very well get drunk, but no one will get upset if you admit it and don't want to fly because of it."

As a pilot in the air force, "Nim" earns around 190,000 kroner a year. He must fly at least 180 hours a year or roughly an hour every working day.

Unless he takes a parallel officers' training course because he wants to advance up the armed forces ladder, his career will be over when he is 35.

His multiyear contract has expired and he now works on a normal 3-month contract.

In the last year a lot of newspaper space has been devoted to the so-called pilot drain to SAS and other airlines.

"A onesided and somewhat distorted attitude has been emphasized. Air force pilots know that when they become 35, their employment comes to an end unless they have taken a parallel officers' training course. Pilots may have a few years left before their affiliation with the air force comes to an end; they can make two or three times as much money working for civilian airlines, so it is natural that they seize the opportunity before it is too late.

"We think Danish jet pilots are among the best-trained pilots in the world. We also know that if the 'balloon goes up' we will be the first people to be involved in combat. We are aware of the risks. They are part of our job. We fly combined fighter and bomber planes, in other words machines that are primarily defensive and not offensive in nature. We are trained to go into action if a war breaks out, but aside from that we do not think about the dangers of flying during our daily training flights.

"And our wives don't go around wondering if we are going to crash today. It would be impossible to live like that, but it is clear that when it comes close to you--when a good friend gets killed--you feel it more strongly, for several reasons.

Three Killed

"Here at Alborg Air Base three pilots have lost their lives while I have been here and one was a close friend and neighbor.

"There is probably a very unusual solidarity among us pilots. This solidarity also includes our wives and it manifests itself in our free time. I think it is because we have to trust each other 100 percent--especially when we fly in formation. We don't have time to look at the man beside us, we have to check our own instruments and trust that our comrades in the group are doing the same thing.

"On the other hand I feel there are not many other places where people are as satisfied with their jobs as pilots are. We have chosen to fly because we like it and part of the reason is probably that we feel that in this way we are doing our bit to defend something we think is worth defending, but that does not make us supermen or infallible human beings."

In civilian clothes "Nim" is every mother-in-law's dream. Slender, friendly, smiling and polite. Dressed in a suit and carrying a briefcase he could pass for a lawyer or an insurance salesman. There is no visible indication that he is one of an elite group in the Danish military. Trained to man one of the most fiendishly devised and deadly pieces of equipment that can swoop down at twice the speed of sound and change our everyday lives.

On the way out to the car I met a pilot who had just landed.

"Oh, you must be the reporter," he said. I offered him a cigarette and he refused in horror, saying: "Are you crazy, man? Those things can kill you."

They don't lack a sense of humor in squadrons 723 and 726 and obviously there are differences of opinion about what constitutes living dangerously.

6578

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MILITARY

FEDERAL REPUBLIC OF GERMANY

ORGANIZATION, COMMAND OF WARTIME HOST NATION SUPPORT REFINED

Bonn TRUPPENPRAXIS in German Jan/Feb 86 pp 18-23

[Article by Col Friedrich Steinseifer: "A New Bundeswehr Mission: War-time Host Nation Support"]

[Text] A military organization such as has never existed before is about to establish itself on the soil of the FRG in order to make possible the forward defense necessary for our survival in the areas close to our borders. The governments of the United States and the FRG have concluded an agreement which provides for receiving American units as guests on German soil in case of a military crisis and taking care of them without having to make the needed preparations while the guests are arriving, i.e. the American units can be committed to action more speedily. Operations staff V of the command staff of the armed forces is fully responsible for the project. Staff section V is the army contact point for Wartime Host Nation Support and as such responsible for planning and development. Col Friedrich Steinseifer and his staff have prepared the following article:

As of 1 January 1986, the former "Support Command Wartime Host Nation Support" of the army was renamed Support Command 3 and was newly assigned to Military District Command III and in December 1985, Support Command 5 was set up under Military District Command V. These events are reason enough to explain the content and scope of the WHNS mission. The role of the air force and navy and the Bundeswehr administration will be dealt with in this article in addition to that of the army which has primary responsibility for the project.

Prior History

In the early seventies, the United States exerted increased pressure on its European NATO allies to step up burden sharing, i.e. to distribute the defense burden more equitably. At the same time, the United States started to reorganize its forces stationed in the FRG with the aim of enhancing their combat effectiveness. But to achieve this end, logistic

personnel slots were cut by some 18,000. Now this shortfall had to be filled.

As a result, General Haig, the then SACEUR, asked that a SHAPE study be done to look into how this might be achieved with the support of the European nations generally and the FRG in particular. The findings of this study were reviewed by the FRG defense ministry in 1979 and in part rejected as being unrealizable, since they violated the premises established by Defense Minister Georg Leber which stipulated that this should not result in

- a loss of combat effectiveness by the Bundeswehr;
- an increase in the number of operational German forces
- or any increase in the FRG defense budget.

It was not until the United States gave an assurance to the German defense minister in October 1979 that reinforcement units numbering six army divisions as well as the proportionate air power would be moved to the FRG in a crisis or war situation within 10 days instead of 30 days, that the FRG government agreed to provide the civilian and military support required by U.S. forces on German soil.

Transfer of these reinforcement units within the very brief period of only 10 days represents an early and decisive addition to conventional combat effectiveness in Central Europe, thus substantially contributing to the deterrent value of the NATO forces and to the flexible response capability of NATO strategy as such.

The program thus is in conformance with NATO's long-term defense program.

During the course of 1980, the United States presented its demands for support in greater detail and this, in turn, led to the development of the so-called German WHNS model.

In 1981, the WHNS model was submitted to the FRG security council together with a statement by the German defense minister to the effect that he would need additional forces and funds in order to fulfill the military support requirements of the program.

To perform the required feasibility study for the army component, a WHNS planning staff was set up which commenced operations in Cologne on 1 January 1982 and was renamed WHNS support command as of 1 October 1983. Although two security companies and nine security platoons were set up as equipment units in 1983 by the army the planning phase was not concluded until late in 1985.

The air force established a planning task force at the air force support command in Cologne-Wahn to conduct a feasibility study on the responsibilities to be met by it and the navy.

Government Agreement

At the conclusion of their bilateral political talks, the two governments concluded the "agreement on support by the host nation in a crisis or war" on 15 April 1982.

This also marked the birth of the "Wartime Host Nation Support" (WHNS) concept which does not, however, apply exclusively to support given to the U.S. forces.

WHNS represents that portion of the Host Nation Support (HNS) which is rendered in time of crisis or war.

It designates the civilian and military support rendered by a host nation in peacetime and wartime to allied armed forces and NATO organizations which are located on the host nation's territory. Such support functions are part of NATO treaty obligations or of bilateral and/or multilateral agreements concluded between the host nation, the NATO organization and the originating nation.

WHNS may include both civilian and military support. But military support has thus far only been provided to U.S. forces either stationed or scheduled to be stationed on FRG soil by German units specifically established for that purpose.

Types of Support

The 15 April 1982 agreement spells out the obligations and support functions of the two nations in detail.

The Federal requisitioning law and the control and provision laws provide the German legal basis for the civilian support to be made available to the Bundeswehr as well as to allied visiting forces in case of a crisis or in wartime. The armed forces may avail themselves of the support provided for in these laws in accordance with certain constitutional provisions. These stipulate that the armed forces may not avail themselves of civilian resources in a crisis or in wartime unless the FRG legislature has given its prior approval.

Some of these civilian support services include road and rail transport; the provisioning of air, sea and inland shipping space; the provisioning of civilian labor; care and maintenance; loading and unloading as well as delivery of consumer goods such as food, water, fuel, building materials and energy. It also includes making civilian structures available

in wartime as well as civilian telephone and teletype facilities; the exemption of civilian employees of the U.S. forces from military service and the mobilization reserve of motor vehicles, construction equipment and depot materials.

Requests for and provisioning of supplies are handled in accordance with long-standing HNS procedures.

It is the territorial army's responsibility to review the visiting forces' requests for support for tactical/operational needs, to establish priorities and transmit these to the Bundeswehr administration which then issues the appropriate orders to the civilian authorities.

In most instances, the civilian support given is not merely a stopgap measure but an integral part of the national and allied defense measures.

Military support includes the following three areas:

1. Support by the army providing security for U.S. air force installations, U.S. army installations and rocket artillery formations; decontamination of personnel and materiel as well as artificially generated smoke; transportation, loading, unloading and storage of supplies including transportation of major end items and the removal of wounded personnel.

Also included is the construction of pontoon bridges, the maintenance of communications links, the repair of weapons and equipment and repair of damage to the infrastructure.

Within this context, some members of the German civilian support units (formerly called Labor Service) who are liable to and fit for military service are integrated into German units and formations in crisis situations and in wartime. The mission of these units is to provide support to the U.S. forces on FRG territory.

2. Support by the air force and the navy, assisted by reinforced U.S. air power, on the collocated operating bases used by both nations. Support by air force engineer squadrons at some U.S. air bases for damage assessment; for reconstruction of flight operations areas; for reconstruction of facilities and installations and assistance in self-protection measures.

Additional support is given in explosive ordnance reconnaissance and disposal and the speedy repair of runways.

3. The Bundeswehr administration provides support in the accounting of reciprocal services; in providing personnel and material for the mobilization reserve and in making the Bundeswehr's data processing centers available.

Scope of Military Forces

To fulfill these military support responsibilities, the Bundeswehr has established additional staffs, formations, units and elements or has increased personnel of existing commands, staffs, branches of service and agencies.

In the case of a crisis or war, the Bundeswehr support forces would total some 93,000 members of the military and 3,500 civilian employees.

Some 83,000 of these (including an extra 10 percent for safety) would be assigned to the army as would the civilian employees who would be assigned to rear medical facilities.

The air force support contingent would total about 8,300 men and the navy contingent about 480.

To perform their peacetime functions, we need an operational contingent of 1,030 servicemen and about 810 civilians.

The army share of these is about 780 men and about 620 civilians. The corresponding figures for the air force are 245 servicemen and 90 civilians and the navy's combined total of sailors and civilians comes to 10.

The Bundeswehr administration expects to assign about 100 men to the peacetime support program. In addition, about 500 WHNS training slots will be established in the army--and another 150 each in the air force and navy.

Costs

According to article 3 of the HNS agreement of 15 April 1982, the two governments agreed to share costs for investment and operations.

The FRG assumes the cost of the military personnel; for clothing and equipment of the roughly 93,000 servicemen and the material investment costs for the establishment of the required German command, supply and training organization. The United States assumes the cost for civilian personnel, for the operation of the program and for all additional material that cannot be provided by the mobilization reserve.

The infrastructure is to be paid for out of NATO funds. If this is not possible in its entirety, the cost-sharing principle will apply in this instance as well. Investment costs are expected to total some DM 1.7 billion and annual operating costs are expected to amount to some DM 140 million (at 1984 prices).

Material Allowance

In the interest of proper cost accounting, the materiel needed by the German support contingents are subdivided into four categories.

Category I Material includes the personal clothing and equipment of the German soldiers, their small arms and ammunition, the ABC protective gear, their medical supplies and all other materials needed by the command, supply and training organization.

All of this material is of German origin and is to be paid for by the FRG.

Category II Material is material that is provided by the FRG in case of a crisis or war through the mobilization reserve. In the first instance, this includes transport vehicles for various purposes as well as construction and depot equipment.

Category III Material includes the material that is already to be provided in peacetime according to German regulations in addition to the category I material, i.e. either material owned by the Bundeswehr or U.S.-specific equipment which is otherwise not being used in the FRG.

These materials are paid for by the United States.

Category IV Material includes supplies of mass consumption goods which must already be held in readiness during peacetime according to German stockpiling regulations. These goods are also paid for by the United States.

General Support Principles

The elements to be activated by the Bundeswehr in addition to state of defense levels are primarily equipment units. In case of a crisis or war, all the support units are called up and mobilized following German-American consultations in accordance with national legal provisions and the NATO alert system.

The German air force and navy support forces are integrated into existing units of those two branches of service. The German army support forces are part of the territorial army.

They are commanded and committed to action according to German regulations and are exclusively responsible to German commanding officers.

Their mission is restricted to the support function on behalf of the U.S. forces operating on FRG territory. The main burden of providing support is borne by the army. The following presentation of the organizational structure, use and training of support units will be restricted to that branch of service.

Organizational Structure

The army operations staff has set up standards for the WHNS organizational structure which do not call for replenishment of U.S. cadre units. Support functions are performed solely by self-contained German elements or units under German command.

No new branch of the army will be established; the WHNS elements are to be fully integrated in the territorial army. The operating procedures of the WHNS elements will be the same as those of already existing, comparable army elements. The goal is to come up with as economic as possible a solution for the command, supply and training structure, taking full advantage of the existing organizational structure of the territorial army.

The requests for support, the operational principles and the organizational structure of the U.S. forces had a direct bearing on the development of organizational structure outlined below.

Depending on their mission, the organizational structure distinguishes between units with a direct support function; the command and command liaison organization; the supply organization, the medical service; the personnel replacement system and the training organization (see Figure 1).

Units which have a direct support mission to fulfill include the following:

1. Security Units

- 17 security battalions
- 7 security companies
- 30 security platoons
- 9 escort batteries

2. ABC Defense Units

- 5 ABC defense battalions
- 2 ABC defense battalions (fog)

3. Medical Units

- 5 ambulance battalions

4. Supply Troops

- 14 supply battalions (ammunition)
- 5 supply battalions (fuel)
- 18 transportation battalions
- 3 supply regiment staffs
- 3 transportation regiment staffs

5. Maintenance Units

2 maintenance battalions

6. Signal Corps Units

1 signal battalion

7. Engineers

1 engineer battalion

2 collapsible floating bridge companies

The military command structure is composed of six support commands and 12 liaison commands.

To provide for supply, medical service and personnel replacement of the army WHNS units, eight supply companies, 14 reserve hospital units and seven field replacement battalions have been planned.

Active elements and agencies have been newly created to take care of the wide-ranging peacetime tasks, e.g. the training of alert reservists, the implementation of operational plans and joint exercises with the American units requiring support (see Figure 1).

5 support commands

8 maintenance steering groups

1 combat unit training center A

2 combat units training centers C

1 ABC defense training center

1 medical service training center

3 supply training centers

and the capacity of 6 material distribution points.

As far as the organizational allocation of individual elements, staffs and agencies is concerned, a distinction is made between units assigned to primarily stationary and primarily mobile missions (see Figure 2).

Support units performing stationary functions for the most part (e.g. security and ABC defense units) are directly responsible to existing staffs and command authorities of the territorial army. To be able to fulfill their command functions in peacetime, in crisis situations and in wartime their personnel is reinforced accordingly.

Support units performing mobile functions for the most part (e.g. supply troops) are under the command of the support commands.

The assignment of the WHNS commands to the national territorial command authorities and the support relationships are shown in Figure 3.

It is important to know that each of the three U.S. corps stationed in the FRG is being supported by one WHNS command each operating in the rear area of that corps. The northern territorial command will have one support command directly responsible to it which will function as an equipment unit. The southern territorial command will have two operational support staffs under it already in peacetime because of the need for corps-overlapping support and because of the massed U.S. units stationed there.

In addition to military district commands III, IV and V which have varying numbers of formations, units and elements directly under them above and beyond the support commands, an ABC defense battalion will be assigned to district II and several security platoons to perform WHNS functions will be assigned to district VI.

For the organizational structure of the WHNS elements of the air force and navy the same general principles apply as for the army. Depending on their mission, the distinction here is between elements which provide support to allied formations and units at COB's and those units which provide airport maintenance.

The former support function calls for increasing the personnel of active units and for adding 13 medical squadrons to serve a like number of air force and navy air bases. To provide maintenance at the air bases on FRG territory used or jointly used by the U.S. Air Force the activation of 13 air force engineer squadrons, 12 air force engineer platoons and one navy engineer platoon is called for.

Command and supply of the engineer units will require the establishment of one air force engineer regimental staff and one additional field replacement squadron. Neither the air force, nor the navy need any additional active elements and agencies to meet their responsibilities in peacetime--such as command, training and supply. The peacetime personnel needed for WHNS will be integrated into the existing organizational structure of these branches of service.

Operational Aspects

The German WHNS formations, units and elements perform the functions requested by the responsible U.S. authorities under German command. They are called upon to "cooperate" with the command authorities, staffs, elements and agencies of the U.S. forces which require their support.

In connection with the WHNS support system, the cooperation proviso refers to coordination between the defense ministries in Bonn and Washington.

"The commanders of the German support units who have been asked to cooperate with the U.S. forces are under obligation to fulfill all missions with the elements under their command which have been requested by responsible U.S. command authorities or commanders insofar as they conform with the agreed-upon requirements, with German command and operations principles and the German Table of Organization and Equipment for that particular branch of service. This obligation particularly includes compliance with the priorities set by the U.S. forces."

Training

Generally speaking, training for the WHNS elements is conducted along the same lines as that of comparable Bundeswehr servicemen and alert reservists. This also applies to the type, scope, duration and rhythm of mobilization exercises.

In the main, training is in the form of mobilization exercises which are carried out at training centers or existing units.

If possible, training exercises should be held jointly with the U.S. units to be supported.

Command and operational personnel are familiarized in the course of a so-called "integrated training program" with the command, operations and procedural principles of the U.S. forces.

To provide for the integration of those members of the German Civilian Support Units who are liable and fit for military service into the territorial army and into their mission in crisis situations and wartime, the personnel and materiel selected are to be reassigned to take part in the appropriate training programs. This calls for timely prior coordination with the responsible U.S. authorities.

"A Good Deal"

In accordance with article 1 of the German-American HNS agreement, the United States intends to move six divisions and the respective air force contingents to Central Europe within 10 days instead of 30 as had been the case previously. Article 2 of the agreement contains a declaration of intent by the FRG to establish a military support organization of some 93,000 men in time of crisis and war to assist the reinforced U.S. forces on its territory, i.e. the reinforcement units and the troops already stationed here.

There is nothing in the history of coalition warfare to compare with this agreement.

Within NATO, it is unique thus far and is therefore fraught with political overtones. Alliance credibility with regard to its capacity for forward defense is substantially enhanced thereby. At the same time, the U.S. plans to move in reinforcements which represent a major financial sacrifice for the repositioning of equipment for six divisions in Western Europe are an impressive affirmation of the defense commitment and of loyalty to the alliance.

The FRG is unable to activate the additional forces required all by itself. The U.S. offer which was combined with the WHNS request makes it possible to achieve the goal of strengthening conventional forces at far less expense.

Of course WHNS costs money. A cost comparison with the investment cost just for the equipment of a modern mechanized division (amounting to some DM 2.5 to 3 billion) makes it clear that the activation of additional ground forces in Europe would call for far greater expenditures than are required in this instance. The support agreement can therefore be viewed by both partners as a good deal in every respect. The FRG--represented by its defense ministry--is making every effort to complete the establishment of the WHNS organization as rapidly as possible.

But this must not come about at the expense of the combat effectiveness of the Bundeswehr, if forward defense is to succeed from the very outset. It is precisely because of its political importance that WHNS is a matter of concern for the state as a whole and not just for the Bundeswehr.



























<p>(1) Führung/ Verbindung</p>	<p>  x 6  x 12 *) davon eine GerEinh (3) (2) </p>
<p>(4) Truppen mit unmittelbarem Unterstützungs- auftrag</p>	<p>  x 17  x 5  x 5  x 6  x 7  x 18  x 2  x 2  x 30  x 14  x 1  x 1  x 9  x 5  x 2 </p>
<p>(5) Versorgung/ Sanitätsdienst/ Pers-Ersatz</p>	<p>  x 8  x 8  x 14  x 7 </p>
<p>(6) Ausbildung (nur F-Pers)</p>	<p> (7) (8) (9) (10) (11)  x 1  x 3  x 1  x 2  x 1 </p>

Figure 1. Overall Strength of Army WHNS Units

Key:

- | | |
|---------------------------------------|-----------------------------------|
| 1. Command/liaison | 6. Training |
| 2. Support command | 7. NBC defense training center |
| 3. Includes one equipment unit | 8. Supply training center |
| 4. Units with direct support mission | 9. Combat unit training center A |
| 5. Supply, medical service, personnel | 10. Combat unit training center C |
| | 11. Medical training center |




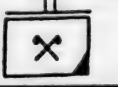
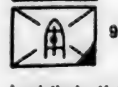








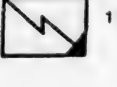


(1) Stationär für die	(2) Beweglich für die/den
<p>Sicherung von (3) - Einrichtungen der US-Luftstreitkräfte - US-Heereseinrichtungen</p> <p> 12 x</p> <p> 6 x</p> <p> 30 x</p> <p>Bereitstellung von Dekontaminationskapazität (4)</p> <p> 5 x</p>	<p>Sicherung von US-RakArtBtl LANCE (6)</p> <p> 9 x</p> <p>Logistische Unterstützung¹⁾ (7)</p> <p> 16 x  5 x  14 x</p> <p>Abtransport Verwundeter (8)</p> <p> 5 x</p> <p>Sonstige Aufgaben (9)</p> <p> 2 x  1 x  2 x</p> <p> 2 x  1 x  5 x</p> <p> 1 x</p>
<p>¹⁾ Zusätzlich: 6 RgtStäbe (5)</p>	

Figure 2. Distribution of WHNS Support Units

Key:

- | | |
|--|---|
| 1. Stationary | 6. For the security of U.S. "Lance" rocket artillery battalions |
| 2. Mobile | 7. Logistic support |
| 3. For the security of U.S. air force, U.S. army installations | 8. Removal of wounded |
| 4. Providing decontamination facility | 9. Other assignments |
| 5. In addition, 6 regimental staffs | |

MILITARY

GREECE

ARMS INDUSTRY REPORT ON PRODUCTION, FUTURE PLANS

Athens TA NEA in Greek 3 May 86 p 12

[Text] During the past year, the Greek Arms Industry (EVO) manufactured 22 new products (weapons systems) of advanced technology and its sales reached 7,585 million drachmae. Of this, (during the past 4 fiscal years) 52.2 percent of the sales was made abroad. At the same time, EVO had a net income of 286 million drachmae in 1985 (1,986 million before taxes and depreciation) and investments up to 2,764 million drachmae.

The above is part of EVO's 1985 administrative council report to stockholders in which the chairman, Mr. Vikendios Arsenis, emphasizes that:

"The operations and development of new technologies and products of the EVO conglomerate are exclusively the result of the dynamism of management and skilled personnel. The maximization and prompt achievement of the goals, which are set each time, are reached through collective effort and the participation of the workers from all company levels.

"The new attitude that has been created and the manner of working for the development of EVO, aiming first and foremost at fulfilling the ever-increasing needs of the Armed Forces, fills both management and the workforce at EVO with optimism for the future.

"The implementation of the investment program is expected to make EVO one of the top defense industries in Europe."

At the same time, he underscored that:

"If the Armed Forces were to give us the programs of the purchases they anticipate making in forthcoming years, or their strategic selections, our programming and decisions would have a secure starting point."

According to the report, the 22 items chosen for development, mostly according to the needs of the international market, are:

1. 81-mm. mortar
2. 155-mm. ERMIS projectiles (24 kms.)

3. 155-mm. ERA projectiles (40 kms.)
4. Conversion of 155-mm. M-107 projectiles into ERMIS
5. DEFA projectiles
6. EMERLEG projectiles
7. ARTEMIS-30 projectiles
8. FAIRFOX hunting rifle
9. Supercharge gunpowder
10. 10-inch ammunition
11. Machine accessories and tools
12. FIC fuel tanks
13. T2-E fuel tanks
14. Ejector units
15. ARTEMIS-30 self-propelled
16. Ground-to-air missiles for ARTEMIS-30
17. Conversion of M 114 guns into 39- and 45-mm. calibers
18. ARIS IV anti-tank
19. 120-mm. mortar and ammunition for it
20. 5-round hunting carbine
21. Double-barrel shotgun
22. Commercial nitrocellulose

Of the aforementioned items, the first 13 are already in production and are available, while the remaining nine are (as of January 1986) in an advanced stage of development or in experimental production.

It is of interest to note that these items, which are not manufactured in Greece and cannot be produced by any other Greek industry, are classified as "weapons systems" and combine technical knowledge and manufacturing capability in the weapons, munitions and electronics fields. Thus, today, not only are there no overlapping manufacturing operations and competition with other Greek industries--because we do not manufacture the same items--but EVO has been internationally established as a dynamic, trail blazing industry.

"The selection of new products--it is pointed out in the report--was made with the criterion concerning the influence that their development and production would have on our own organization. In other words, we made the kind of products that would give us the opportunity to change our structure and organization by raising the technological level of the firm's potential in order to be able to meet future needs.

"We have created our own technology because we came to the conclusion that the purchase-transfer of technology is more often than not counter-productive because it is disproportionately expensive and technologically obsolete when available and specialized in a single product.

"At EVO we always hung on to the responsibility of creating the final product, both in design and production, by adding foreign specialization to our technology only for part of our programs in order to satisfy the time limitations of the market."

A special chapter of the report is devoted to the ARTEMIS-30 anti-aircraft system and to the allocation of its production, which was carried out in different plants of the firm (Aigion, Mandra, Lavrion, Ipeiros and Kymi). Parallel to the production of ARTEMIS-30, however, EVO continued its research efforts to develop and add ground-to-air missiles and self-propulsion to the system.

Investments of 380 million drachmae have been made at the Aigion plant so that when the production of the G-3 rifle is completed, it will have the capability of manufacturing other products.

As a matter of fact, in its effort to replace the sales of the G-3, which will end soon, EVO designed and made ready for production the first hunting rifle of Greek manufacture, the FAIRFOX 2000. This gun, which is intended for big game hunting, has already had a successful sales career in Northern Europe and efforts for its sale are being directed at North American markets.

Additionally, it began the development of the 120-mm. mortar, whose prototype has already successfully completed its first firing trials.

EVO's hunting rifle production, which began so successfully with big game guns, is continuing with the completion of models for the Greek market with a view to replace the importation of hunting guns because there is no other Greek manufacturer. It is hoped that the automatic carbine and the shotgun will be ready for the market by the next hunting season.

Fiscal year 1985 was the most productive ever at the Lavrion plant because it developed new products of great strategic value such as:

A monobasic gunpowder (with a world-wide exclusive patent for EVO)

155-mm. medium and long range projectiles

Nitrocellulose

Gunpowder for ARTEMIS-30 ammunition

8-inch artillery projectiles

At Mandra (general mechanics), on orders from a foreign country, production has begun on disposable auxiliary fuel tanks for the T2-E aircraft of the Air Force and for the MIRAGE F1-C.

"We hope that soon we will also be chosen by the Greek Air Force to build the F1-C fuel tanks so that they will not only be sold abroad, but that the technology acquired in this field will not be wasted," it was pointed out regarding this matter.

Research is already under way for the fuel tanks of the MIRAGE 2000 purchase by Greece.

The Ipeiros plan's (steel industry) contribution is significant. It manufactured base coverings for casings and shells and shrapnel (for Greece and for export).

Finally, at the Kymi plant, which will begin operations in October 1986, 800 million drachmae were invested and a workforce of 150 is to be employed. In addition to assembling the ARTEMIS system, reinforced plastics will be manufactured.

Let us examine EVO's prospects as set forth in the report.

EVO, Inc. has formulated a 5-year development program based on estimates of the operational needs of the Greek Armed Forces and of the international market. Thus, it is expected to influence, within the next 5 years, the following weapons systems programs now under development, which entail the expansion of technology for the guidance, propulsion and filling of projectiles with new explosive materials as well as reinforced plastics.

1. Anti-aircraft systems sector

a. Medium range ground-to-air missile (incorporation of a missile system into ARTEMIS-30)

b. Self-propulsion of ARTEMIS-30

2. Long range artillery sector

a. Long range surface missiles (100 kms.)

b. Manufacture of heavy artillery for medium range (40-50 kms.)

3. Anti-tank weapons sector

a. Improvement of third generation ARIS systems, etc.

b. Hypervelocity armor-piercing projectiles (heavy missiles)

4. Aerial bombs sector

a. Stand-off weapons

b. "Smart bombs"

(The stand-off weapons are bomb systems that open over the objective and drop several small bombs equipped with small parachutes. It is an ultramodern system. The "smart bombs" are guided bombs equipped with a target search device.)

Lastly, EVO expects investments to reach 2,795 million drachmae in 1986.

9731

CSO: 3521/154

MILITARY

GREECE

DELAYS IN MIRAGE AIRCRAFT PURCHASE

Athens I VRADYNI in Greek 8 May 86 p 18

[Text] The much-publicized government accords for offset benefits for the purchase of combat aircraft turned out to be a fiasco and problems have already arisen in the coproduction of the 40 MIRAGE 2000s.

As the Minister of National Economy, Mr. K. Simitis, stated yesterday, many problems have arisen in the accord concluded with France for the MIRAGE 2000 while the agreement for the American F-16s has not yet been concluded. It should be noted that the 40 MIRAGES cost 7.6 billion Fr. and the 40 F-16s, 1 billion dollars.

According to official statements, the manufacturing firms committed themselves to provide offset benefits in an amount equal to 60 percent of the cost of the MIRAGE and 100 percent of the cost of the F-16. Payment by Greece for the combat aircraft is to be made within 8 years, while the foreigners have a period of 15 years in which to provide the offset benefits, without, however, any definite guarantee that they will be met. For instance, as the government has revealed, the French side of the agreement called for France to submit by 22 January 1986 a concrete plan for the promotion of tourism, but it has done nothing to date.

A plan to promote Greek exports was to have been submitted by the same date, but it was delayed for 2 months and it has yet to be defined.

An agreement for coproduction, which significantly influenced the coproduction program of the MIRAGE 2000 aircraft by French firms with EAV, has yet to be reached despite the fact that it was to have been signed by 22 January 1986.

Lastly, it was announced that the Greek side (National Economy ministry) is investigating the transfer of French technology worth 700,000 Fr. to a Greek corporation.

9731

CSO: 3521/154

MILITARY

PORTUGAL

NEED FOR NAVAL MODERNIZATION, ROLE DEFINITION PRESENTED

Shopping List of Needed Ships

Lisbon O DIA in Portuguese 24 Mar 86 p 12

[Text] The factors that affect all of the world's armed forces also affect the Portuguese armed forces' ability to procure equipment. These factors consist of the constant tense relationship between military and civilian expenditures, the classic dilemma of guns or butter that is now being aggravated by the recessionary climate and general lack of funds. Domestically, we can also add to this a lack of a defined role for the three branches of the armed forces.

In the public's eyes, the search for new naval materiel translates into the negotiations with NATO countries to acquire ocean going frigates. In reality, however, this is a much more complex problem. The Portuguese Navy's primary role now is to defend our territorial waters and our exclusive maritime zone against surface ships and submarines, to inspect and patrol these areas, and carry out search and rescue missions. Since it does not have its own aircraft, many of these missions must be supported by the Air Force.

There are also the operational demands made on it as a result of our participation in the Atlantic alliance. This means, for example, that it participates in STANAVFORLANT.

We can see from this that the Navy at a minimum needs the following ships:

- (a) ocean going escorts
- (b) anti-submarine warfare ships
- (c) minesweepers
- (d) patrol boats

To these front line ships should be added support ships to supply them, provide repairs and carry out oceanographic surveys. If we also want to maintain a minimal dissuasive capacity, we need the following attack or counter-attack capability:

- (a) submarines
- (b) amphibious forces (marines, amphibious combat, reconnaissance, and transport vehicles, landing craft, troop and materiel carriers)

The Navy has much of this materiel now; however, it is aging rapidly. It has the Dealey class escort ships, which were built almost 30 years ago, as well as minesweepers and several landing craft. The Dealey class ships were designed for anti-submarine warfare. In Portugal, these are known as the "Pereira da Silva" class frigates which are armed with torpedoes, two anti-submarine Bofors rocket launchers each armed with three rockets and cannons.

The MEKO Class Frigate Question

The acquisition of European frigates (the Dutch Kortenaer class or the equivalent German Fl22 were considered first and now the MEKO 200 class frigate is under consideration) is especially geared toward replacing the Dealeys and acquiring the modern means to carry out anti-submarine warfare. Reportedly, the Dealey frigates would then be sold to a militarily less sophisticated and less demanding Latin American or Asian country.

The MEKO 200 are much more modest ships than the Kortenaer. They can be powered by a mixed diesel and gas turbine (CODOG) system or only with a CODOG. They have a 2,000 ton displacement, carry a crew of 123 men and cruise at high velocity (35 knots as opposed to 30 for the larger MEKO 360H ordered by Argentina and Nigeria). They can be armed with two 7.6 cm cannons (of the Oto Melara type, for example), a short range anti-aircraft missile system, torpedo platforms, two or four surface to surface missile launching canisters (Harpoon type) or an ASROC anti-submarine system at the expense of one of the cannon or the anti-aircraft system.

These ships do not have a hangar for helicopters, however, a special platform can be installed also at the expense of the anti-aircraft system and/or the cannon.

The MEKO is built by the West German shipbuilders Blohm and Voss and its acronym stands for "Mehrzweck Kombination" or multifunctional combination. It has two radars, one for long range scanning and the other for scanning/fire control. It has a computerized search/attack sonar, digital command control as well as two pilots. It has an electronic warfare counter measures system, IFF/SIF communications equipment and two metal fragments launchers to throw off surface to surface missiles.

A Bargain?

The main problem with the MEKO 200 is the fact that it will replace anti-submarine warfare ships without having the right equipment for this type of mission. It is debatable whether or not the ASROC can be easily installed on it and its torpedo system is only effective against submarines cruising at low depths. In addition, Portugal has 10 modern corvettes (called light frigates by NATO) which were also built by Blohm and Voss and by the Spanish Bazan Shipbuilders. These are the "Joao Coutinho" and "Baptista de Andrade" class ships. The corvettes can be easily adapted for anti-submarine warfare with the installation of helicopter platforms, the addition of anti-submarine rocket launchers, or a mini ASROC and anti-aircraft weapons such as the Sea Sparrow missile system and surface to surface missiles such as the Harpoon or the Exocet.

We continue to feel that it would have been better to update the 10 corvettes' armament instead of getting the MEKO. It would be interesting to know what the specialists of the Portuguese Navy think on this subject.

Ships to Fit New Role

Lisbon O DIA in Portuguese 1 Apr 86 p 12

[Text] The Portuguese Navy's role changed from that of a naval force turned toward other continents, a force prepared for military intervention and maintain a symbolic political presence in African waters, to one involving more modest missions of collaboration with NATO in permanent forces such as STANAVFORLANT and to patrolling Portuguese territorial waters. This change came about as a result of the diminution of Portuguese territory and the self-absorption with Europe. Of course, the fact that the Atlantic islands remained Portuguese alters somewhat this operational restriction. It gives the Navy the dual role of a coastal fleet and an ocean going navy. It can be said that we are before a strong exception that confirms the rule.

Urgency of the Reform

There are those who still believe in the resurrection of military cooperation with non-European countries, especially African ones. Let us just look at the increased operational responsibility that the use of Cape Verde would provide. This, however, would require an overall revision of the strategic concept of defense.

Even in the current context, there are still questions (as we saw in the last article) concerning the acquisition of new equipment and modernization to be thought about. It is difficult to defend territorial waters well, for example, in an age of electronic warfare and guided missiles without having the devices to permit a response beyond the horizon (i.e., surface to surface and surface to air missiles of at least medium range). For its part, anti-submarine warfare needs modernization because of new camouflage methods for submarines. There is a need to use helicopters, third generation weapons such as the ASROC and advance means of detection. The capacity for dissuasive action cannot exist without a small fleet of modern submarines and a multi-mission amphibious force.

Let us look at the expenditures for naval vessels. We now have three ocean going escort frigates (the "Pereira da Silva" class) that are antiquated because they did not undergo the same modernization effort that was made by the Norwegians with their "Oslo" class, four other frigates of the "Joao Belo" class and 10 corvettes (which NATO classifies as light frigates) with less than 20 years of service. None of these ships has surface to surface or surface to air guided weapons and their anti-submarine weapons systems are relatively obsolete (especially those in the "Coutinho" and "Andrade" class corvettes). None of them has fixed facilities for helicopters.

An Alternative Upgrading Plan

An alternative to the purchase of the German MEKO frigates could be suggested. It would involve upgrading the existing ships to perform multi-roles. These roles would be based on the priorities of providing a defense against surface vessels and submarines as indicated above. It would prepare them for modern warfare. This alternative would involve the following:

(a) Mothball the "Pereira da Silva" class frigates or upgrade them as the "Oslo" class frigates were upgraded. Have them fitted with a short range surface to air battery (such as the Sea Sparrow, Sea Penguin or Harpoon missiles) and a modern anti-submarine rocket launcher such as the Ikara or Malafon;

(b) Provide two "Joao Belo" class frigates with the facilities to carry an anti-submarine warfare helicopter in exchange for a 10 cm gun turret and two others with surface to surface missile launchers such as the Exocet;

(c) Upgrade the 10 corvettes by equipping them with electronic warfare equipment, an anti-aircraft battery such as the Sea Sparrow or Aspide, two or four surface to surface missiles such as the Harpoon, anti-submarine rocket launchers such as the Bofors and possibly install a helicopter platform on five of the corvettes for anti-submarine warfare.

As for the procurement of new ships, we could choose a smaller program which would essentially involve domestic production:

(a) Increase the fleet of fast patrol boats (large and coastal) to 35 boats with some possibly equipped with Harpoon missiles;

(b) Procure a small fleet of minesweepers to replace the "S. Roque" class minesweepers;

(c) Double the support fleet by acquiring another ship fitted for amphibious warfare;

(d) Supply the marine corps (now at 2,600 men) with tracked armored vehicles, guided anti-tank weapons, light artillery and portable anti-aircraft missiles.

Next week, we will look into how this suggested quantitative and qualitative change would fit in the national defense framework.

9935/9435

CSO: 3542/92

MILITARY

PORTUGAL

INSTITUTE DIRECTOR SEES ARMED FORCES POORLY EQUIPPED

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Apr 86 p 4

[Text] "The Portuguese armed forces are not equipped to meet the new situation, which gives priority to Europe as opposed to our historic tradition which always put the emphasis on the preservation of the empire," declared Alvaro de Vasconcelos, director of the International and Foreign Studies Institute, in a debate sponsored by the Portuguese Association of Diplomats.

In his remarks, Alvaro de Vasconcelos said that the international situation has evolved so as to again place Portugal near to the external area of greatest conflict, given its geographical position and the proximity of the African coast. He foresaw the possibility of a breakdown of commercial relations with the African countries "if economic cooperation is not accompanied by military cooperation.

Alvaro de Vasconcelos said that the incorporation of Portugal into the EEC can "make an important contribution to the development of European relations with Latin and South America."

12942/12947
CSO: 3542/100

ECONOMIC

BELGIUM

SPITAELS, GOL COMMENT ON PUBLIC SECTOR WORKERS' STRIKE

Brussels LE SOIR in French 9 May 86 pp 1, 2

[Interview with Guy Spitaels and Jean Gol by Guy Duplat in the column "A Bout Portant": "... Guy Spitaels and Jean Gol"; date and place not given]

[Text] Question: Was Tuesday's strike political or social?

Jean Gol: It is difficult to understand a strike against measures which have not yet been decided on or announced. For some of its organizers, this strike was a political strike directed against the government. The main victims of this strike, however, were the ordinary citizens whose life was disturbed and the public services themselves, whose image did not improve in the eyes of public opinion.

Guy Spitaels: That distinction is valid for strikes in the private sector, but in this case it didn't make any sense at all because for the public services the employer is also the government and the distinction between what is political and what is social is very tenuous. The warning to the government was very clear.

Question: It is a strike by the public enterprises; does this sector feel very threatened?

Gol: The public sector in Belgium has done nothing but grow during the period of prosperity and even more -- alas -- during the first years of the crisis. We must reduce the size of the state if we want to reduce the public finance deficit and allow the economy, which is being suffocated by the growth of the state, to live and modernize itself.

Spitaels: That sector is very worried. I have, for example, the figures concerning participation in the train conductors' strike at the SNCB [National Belgian Railroads]. Those figures are very interesting, because they involve a category which is traditionally not much inclined toward striking, and I see that more than 90 percent of them were on strike in Liege and Mons, more than 80 percent in Ghent and Hasselt, etcetera. This rate of participation is revealing in terms of the mobilization in the public services.

Question: Has this strike demonstrated the rebirth of a common front and the return to the street by the socialists?

Gol: Just a few days ago, the socialists were complaining about the government taking too long to implement the necessary savings. And today they are protesting beforehand against all the measures the government might decide to implement.

Spitaels: As a Walloon, I would note first of all that there was no North-South cleavage in the strike, a cleavage which is often a question and a worry for us. There is no doubt that the strike was very significant in the Flemish cities such as Antwerp, Courtrai, and Ghent. The union organizations were not divided by the language border.

On the other hand, I would like to stress the success of the strike on parochial education. In the past, every time an action took place they said that public education was wrong to demonstrate, because it was losing its strength relative to parochial education. But today I see that all systems are participating in the strike and today also, the Christian education unions are demonstrating in Brussels.

Question: Has the strike been a success for its organizers?

Gol: The strike was made easier in the public sectors and in education by the blocking of transportation, the stability of employment in the majority of the sectors, the possibility of taking vacations, and the fact that in education both students and parents have gotten used to strikes in the schools being nearly as regular as public holidays. As a matter of fact, the children are starting to say: we have a strike today, as they would say we have gym or math. In this respect, I am happy actually that contrary to custom, there was apparently more participation in the strike by parochial education than by public education.

Some people also see an advantage in the fact that in case of a strike the RTBF [Belgian Radio Broadcasting and Television System -- French Service] broadcasts continuous music programs.

Spitaels: What the government wants to settle at the conclave is so serious that all the socialist forces are being mobilized. At the time of our big demonstration on 31 May we will even see the mutual insurance companies demonstrate for the first time in 15 years. It is a union to stop the government projects.

Question: What could the consequences of the strike be for the government?

Gol: The lesson the government should draw from this strike is that it will be necessary to explain well the vital necessity for our country to implement budgetary savings and the exact scope of the measures the government will decide on. The government is very convinced that it will not allow itself to be influenced by pressures of any kind in the work for the public good it is embarking on by reducing state spending.

Spitaeis: It is always being said that education is one of the main sectors threatened by the cuts, as are social security and the public enterprises. Three areas which our militants are very sensitive to. The great nervousness of parochial education will cause problems for the Christian wing of the government. The strike and the anxiety of numerous sectors must produce a serious problem for the social Christian left wing. On the other hand, when you see the problems of the majority in the Walloon region, you could say that the Christian partner is in labor, as you would say about a woman in the process of giving birth.

8463

CSO: 3619/48

ECONOMIC

DENMARK

GOVERNMENT EFFORTS TO CREATE JOBS SETS NEW RECORD

Job Creation Record

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 86 p 13

[Article by Frank Dahlgaard]

[Text] The following analysis of developments under the Four-Leaf-Clover government shows that the vast majority of jobs have been created within the protected domestic-market industries.

The job creation under the Four-Leaf-Clover government beats all records. In the course of the last 3 years, the employment rate among wage and salary earners has increased by 150,890 persons, computed on a full-time basis. This is equivalent to the creation of an average of well over 200 new jobs every single workday since Poul Schluter took over as prime minister in the fall of 1982.

If the rate of employment had increased correspondingly under a Social Democratic government, there would hardly have been any limits to Anker Jørgensen's and Svend Auken's boasting.

On the basis of the contributions made by employers to the General Supplementary Pension System, the Department of Statistics each quarter calculates the rate of employment among wage and salary earners. The figure indicates the number of fully employed and has been seasonally adjusted so that it is possible to follow the trends quarter by quarter.

In the following graph, BERLINGSKE TIDENDE shows developments in the rate of employment among wage and salary earners since the change of government in 1982.

As will appear from the graph, the rate of increase in the employment rate among wage and salary earners has accelerated throughout the period: during the first year of the Four-Leaf-Clover government, only 15,900 new jobs were created, during the second year, another 54,600 jobs were added, and during the third year of the Schluter government, the rate of employment increased by as much as 80,400 full-time jobs.

The figures shows that the rate of employment increased very sharply during the first quarter of 1984. When, in the spring of 1984, the Department of Statistics received tapes with the data of the General Supplementary Pension System, they simply did not believe the figures to be true!

For, during the many years of Social Democratic government, the Department of Statistics had got used to seeing sharp increases in the rate of employment only when the public sector expanded sharply, and that, of course, was no longer the case.

The Department of Statistics, therefore, decided not to publish the data of the General Supplementary Pension System until the figures for the following quarter had been received. These figures, however, showed a high and even higher rate of employment, and the figures were then published, with every conceivable reservation.

The army of chief economists within the world of finance and the various trade unions kept questioning the accuracy of the figures for still some time, but since then everybody has had to recognize that the data of the General Supplementary Pension System actually have given a correct picture of an astonishing trend in the rate of employment.

Political Stability

There are obviously two reasons why the number of jobs within the private sector increased very sharply during the spring of 1984, viz.:

First, the parties in the labor market agreed on very moderate collective agreements in the spring of 1983. The result was a calm labor market and a continued decline in the rate of increase in wages and salaries, which caused the interest rate to start dropping.

Second, the elections to the Folketing on 10 January 1984 resulted in a victory for the Four-Leaf-Clover government, which now achieved the majority in the Folketing together with the Radical Liberal Party outside the Social Democratic Party and the Progressive Party. The result was political stability which was further strengthened by the compromise in April between the government and the Radical Liberal Party.

As a result, confidence was created in 1984 that the policy of recovery would be continued, and the business sector responded by drastically speeding up production and investments. This brought about the creation of a multitude of new jobs.

The graph shows that the same thing happened in 1985:

It is true that the parties in the labor market did not reach agreement on any new collective agreements in the spring of 1985, but after the intervention on the part of the responsible majority of the Folketing, the low rate of increase in wages and salaries was maintained, and peace within the labor market was restored rather quickly.

The result was further drops in the interest rate and a new boom in the rate of employment among wage and salary earners.

Even if the figures of the General Supplementary Pension System during the last two quarters have shown an increase in the employment rate that is even sharper than in 1984, the Department of Statistics has not refrained from publishing the figures this time. Taught by experience, they have come to recognize that the economic recovery is actually in full swing. A recovery in which the high employment rate within the private sector is leading the way.

Alarming Developments

The statistics of the General Supplementary Pension System make it possible to examine how the new jobs have been created.

The table thus shows the distribution on the various trades and industries of the 150,890 full-time jobs that have been created among wage and salary earners in the course of the last 3 years.

Growth in Number of Jobs Under Schluter Government

Rate of Increase in employment of wage and salary earners, computed on a full-time basis during the period from 4th quarter of 1982 to 4th quarter of 1985	Rate of Increase in Employment	
	Persons	Percent
Agriculture, fisheries, etc.	2,028	5.3%
Trades and Industries	49,576	12.9%
Building and construction sector	24,812	22.0%
Wholesale and retail sector	19,719	8.1%
Restaurants, hotels, etc.	2,855	9.5%
Transport sector	6,100	4.4%
Banks, insurance companies, etc.	22,234	16.1%
Repairs and services	1,881	7.4%
Other services of private sector	259	0.6%
Public services	13,714	2.0%
Occupations not stated	7,712	-
Total rate of growth in employment within private sector	150,890	8.2%

Source: Employment Data based on contributions to General Supplementary System, the Department of Statistics

A study of the figures of the table will lead to the not too pleasant conclusion: Although only a minor part of the increase in the rate of employment occurred within the public sector, the vast majority of new jobs were created within the typical domestic-market trades and industries.

Within the traditional export sectors--agriculture, the fishing industry, the trades and industries--the employment rate has increased by nearly 52,000 full-time jobs in the course of the last 3 years. By way of comparison, it may be mentioned that the employment rate increased by approximately 90,000 full-time jobs within the protected domestic-market trades and industries--the building sector, the commercial sector, the restaurant and hotel business sector, the finance sector, other private service sectors as well as within the public sector.

In other words, the recovery policy that has been pursued has, to a small extent, adjusted the relative strengths of the public and private sectors, which has a moderating influence on the burden of taxation.

However, there has been no adjustment in the relative strengths of the domestic market industries and the export industries, which are important for Denmark's ability to produce and export in order to overcome its foreign exchange problems.

It is true that the trades and industries account for the major absolute increase in the employment rate--nearly 50,000 full-time jobs. Given the size of the sector, however, the increase is only 12.9 percent, which is no record.

High Rate of Activity Within Building and Finance Sectors

The highest rates of activity take place within the building and construction sector, which in the last 3 years has increased its employment rate by no less than 22 percent. The enormous increase in the building rate within the business sector and thus the expansion of the production apparatus, of course, accounts for a considerable portion of this record-high growth rate. The increase in the growth rate, however, has also been caused by a higher rate of building activity within the housing sector and a higher rate of construction activity within the municipal sector prior to the municipal elections (swimming pools, sports grounds, etc.).

As is well-known, the boom that has taken place within the building sector has given rise to a wage drift and has most certainly justified the intervention on the part of the government last Christmas.

The sharp increase in the rate of employment within the finance sector (banks, savings banks, credit associations, insurance companies, real estate companies, etc.) is also remarkable. A total of 22,234 more jobs, equivalent to an increase of well over 16 percent. Also in this area it is a question of a domestic market boom, which, it is true, will improve the employment rate but not the balance of payments.

The increase in the job rate within the wholesale and retail sector of well over 8 percent also reflects the increase in the growth rate within the domestic market sector. Here the increasing private consumption has provided the incentive. The same thing applies within the restaurant, hotel and amusement sector, where the increase in the employment rate, unfortunately, has not been caused by any larger number of tourists but by an increase in the domestic consumption.

More Employees Within Public Sector

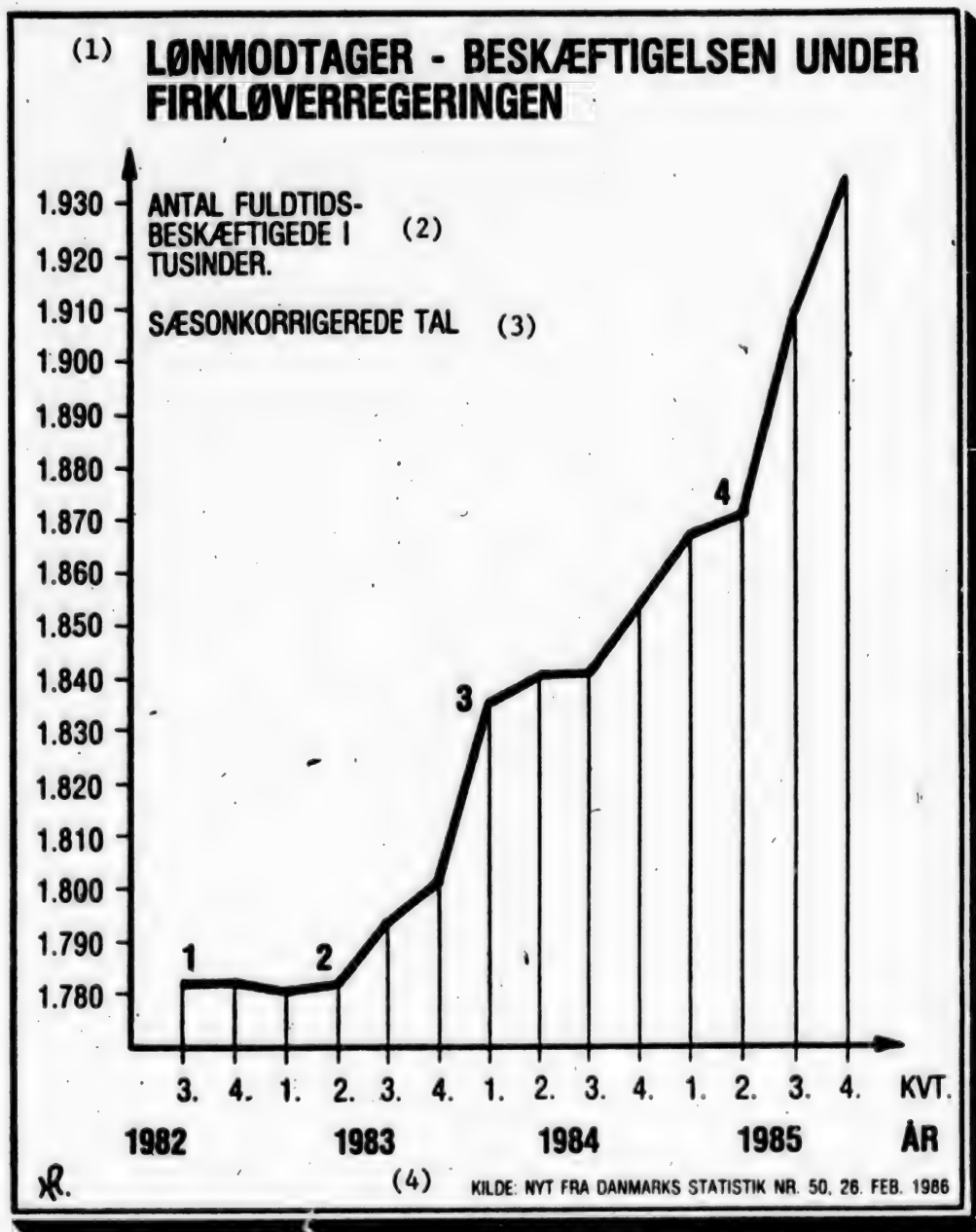
The table shows that since the change of government the employment rate within the public sector has increased by 13,714 full-time jobs.

The growth within the public sector, however, has been very skew during the last 3 years:

The rate of growth in personnel employed by the state has thus amounted to 0.4 percent only, while there has been a growth rate of 1.5 percent within the municipalities and counties. Independent bodies (subsidized by public funds), however, have experienced a growth rate of no less than 10 percent. It is thus evident within the public sector that the longer one moves away from the governing authorities, the higher the rate of increase in costs and personnel.

Controlling the private sector, naturally, is far more difficult. A study of the table will clearly show that the economic boom and the sharp increase in the employment rate primarily are a domestic market boom.

In order for the recovery policy to succeed, the creation of new jobs will have to shift to the export industries. This is exactly the government's big problem.



1. Anker Jørgensen gives up, and Four-Leaf-Clover government takes over.
2. Labor market agrees on new collective agreements--inflation in wages and salaries declines.
3. Government wins parliamentary election on 10 January. Political stability.
4. The Folketing imposes a 2 percent pay ceiling--calm restored in labor market.

Key: 1. Employment rate among wage and salary earners during Four-Leaf-Clover government.

2. Number of full-time employees in thousands.

3. Seasonally adjusted figures.

4. Source: NYT FRA DANMARKS STATISTIK No. 50, 26 February 1986.

Fewer Long-Term Unemployed

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 14

[Article by RB]

[Text] A report issued by the Directorate of Labor shows that the long-term unemployment rate is steadily declining. In 1985 54,400 long-term unemployed were registered. That is 12 percent less than the previous year.

It is primarily men who have become employed, and women constitute an increasingly larger proportion of the long-term unemployed. In 1984 women accounted for 58 percent of the unemployed, while they accounted for 63 percent of the unemployed in 1985.

The report shows that the shift in the distribution of unemployed among men and women is associated with differences in employment developments.

The favorable trends have largely taken place within traditionally male employment areas, whereas typical female jobs--not least within the public sector--have been subject to setbacks, as far as unemployment is concerned.

This development is also seen within the individual unemployment benefit societies. For example, the unemployment benefit societies of the building trades and metal workers had 44 and 27 percent, respectively, less long-term unemployed in 1985 than the previous year, while the unemployment benefit societies of salaried employees and civil servants had 4 percent more long-term unemployed.

There are more long-term unemployed persons within the age group of 25-29 years.

Compared to 1984, there has especially been a large decline in the rate of long-term unemployed among the very young. The report shows that the number of long-term unemployed men within the age group of 20-24 years has dropped from 18 to 14 percent, and the number of long-term unemployed women within the same age group has dropped from 21 to 18 percent.

Of the 54,400 long-term unemployed registered as long-term unemployed in 1985, a little over 50,000 persons accepted job offers, well over 1,500 of them were included under the education and business-start subsidy arrangements, while 2,500 accepted neither arrangement.

The number of long-term unemployed increased from 1980 to 1983. In 1984 the figure started declining.

7262

CSO: 3613/132

19 June 1986

ECONOMIC

GREECE

ECONOMIC INTERESTS SEEN NOT JUSTIFYING SUPPORT TO LIBYA

Athens EMBISTEVTIKO GRAMMA in Greek 23 Apr 86 pp 4-5

[Text] According to reliable diplomatic observers, Greece's attempt to appear as the most pro-Libyan country in Western Europe--an attempt whose diplomatic costs to date are unknown--is surely not justified by the level of Greek-Libyan economic relations. From 1981 on, these relations have registered a significant decline. Thus, Greek exports to Libya, which amounted to \$120 million in 1981 according to data from the Bank of Greece, fell to \$55 million in 1983, and were approximately \$30 million last year. Moreover, Greece imported from Libya \$531 million worth of goods in 1981, but only \$90 million in 1985.

These figures show that Greek exports to Libya do not represent more than 1 percent of all Greek exports; it would therefore be difficult to consider them a serious factor in our diplomatic relations with this country, which, moreover, permanently owes Greece more than \$10 million and will have to face insurmountable economic difficulties in the future.

On the other hand, Libya has been developing noteworthy economic relations with Turkey in recent years. Tripoli imported from this country goods worth \$260 million last year. It should also be noted that in 1981 Libyan imports from Turkey had amounted to \$450 million, while its exports to that country were around \$900 million.

According to many diplomatic observers, Greek diplomatic support for Libya can only be explained by the PASOK's economic dependence from the Libyan regime, or by Libya's threat to recognize Denktas' pseudo-state.

/6091

CSO: 3521/142

ECONOMIC

PORTUGAL

INCREASED EXCHANGES WITH ALGERIA PLANNED

Lisbon TEMPO ECONOMICO in Portuguese 2 May 86 p 1

[Text] Next September, after a 3-year lapse, the Portugal-Algeria Joint Commission will meet in Algeria to devise measures in various fields designed to lessen the disequilibrium in the trade balance of the two countries. The commercial balance between the two countries was favorable to Algeria by 9,323,295 contos and 26,267,414 contos in 1984 and 1985 respectively.

This meeting of the Joint Commission was agreed upon after a trip to the Algerian capital by Secretary of State for Foreign Commerce Caldeira da Silva, who met with the ministers of commerce and finance and with the vice-minister of cooperation of that country. They expressed to the Portuguese representative a desire to increase commercial relations with Portugal. During his stay in Algeria, Caldeira da Silva analyzed with Algerian entities possibilities for cooperation in the areas of hydrocarbons, petrochemistry, fishing, naval construction, food canning, forestry, infrastructure, fortifications and equipment. Also discussed were broad guidelines for the meeting of the Joint Commission, which is to approve actions to be taken in the areas mentioned above.

12942/12947
CSO: 3542/100

ECONOMIC

SPAIN

INCREASED TRADE WITH USSR ANTICIPATED

Madrid EL PAIS in Spanish 31 Mar 86 p 36

[Article by Pilar Bonet]

[Text] Moscow. The recent visit of the CEOE [Executive Committee of Employer Organizations] delegation to Moscow was appraised in positive terms by its leader, Jose Maria Cuevas, although its success could not yet be perceived in terms of a large number of contracts signed; moreover the Soviet participants at the meeting were not of the level which the Spanish business leaders would have preferred. The three-and-one-half day visit ended last Wednesday.

Representatives of 46 business organizations and 4 banks (Bilbao, Hispano Americano, Exterior and Central) comprised the Spanish delegation, which with respect to the breadth of its representation and the standing of the firms represented, was the highest level such organization ever to visit the Soviet Union. This was the most complete presentation to date in the Soviet Union of Spain as an intermediate class industrial power prepared to compete across the board against other advanced western countries with far greater experience in the Soviet market.

Spain, which entered this market a little over ten years ago, sells the Soviet Union less than two percent of its exports. Imports from that country totaled 381 million dollars in 1985, while exports exceeded 439 million dollars, surpassing imports for the first time, due to the decrease in the proportion of crude oil in imports from the USSR.

The visit of the business leaders, under Cuevas' leadership, devoted serious attention to two problem areas which, as matters now stand, represent important obstacles in the path of a substantial increase in trade between the two countries. On the Spanish side is the problem of the availability of suitable financing terms. On the Soviet side there is a marked paralysis in reaching decisions on the awarding of new contracts which even extends to follow up on arrangements already worked out. Western economic experts attribute this paralysis to the reduced availability of foreign exchange resulting from the fall in income from the sale of crude oil.

During its stay in Moscow, the Spanish delegation, broken down into working groups, held 180 meetings with Soviet counterparts: representatives of firms

engaged in foreign trade, ministries, the bank of foreign commerce (Bnestorbank), and others. Soviet producer firms, as such, are not permitted to establish direct relations with foreign firms in the free market economy. No change is envisaged in this area, and trade negotiations are centralized in Moscow.

It was the general view of the delegation that Spanish financing terms are the Achilles heel of many proposals otherwise well qualified as to technology and price to compete on the international level. Cuevas sees financing as one of the major obstacles in the way of the Spanish business leaders in "making headway in international markets", and he has urged the government to show sensitivity in this matter.

Spain, which is a signatory to the OECD [Organization for Economic Cooperation and Development] agreement on financing is unable to accept the rates of interest which the USSR is prepared to pay for lines of credit in pesetas -- a maximum of 7.5 percent for a five year term. This problem would be solved if it were possible to do business in another currency such as, for example the German mark, whose interest rates are lower because of its stability. However provisions now in effect governing transactions between Spain and the Soviet Union permit lines of credit only in pesetas or in dollars.

Bnestorbank and the Spanish bank representatives agreed to form a committee to seek solutions to put an end to the rejection of Spanish tenders because of financing problems.

Although the Spanish delegation did not meet the Soviet leader, Mihail Gorbachov, the head of government Nicolai Rizhkov, or other top government officials, who on occasion receive U.S. or German businessmen, they were however received by the vice president of the Council of Ministers, I.V. Arjipov, and other officials including Bnestorbank president Ivanov. The USSR Chamber of Commerce and its president Pitobranov hosted the group, which included engineering firms such as Dragados [Dredging, Inc.], Tecnicas Reunidas [United Technologies] and Centunion, as well as chemical, paper, textile and agricultural concerns and machinery construction firms.

Firms in Favor

In current difficulties arising from problems in the crude oil area, the principal Soviet foreign exchange source, some types of businesses seem to be more in favor than others. Thus, a proposal advanced by one of the Spanish paper manufacturing firms for recycling paper and paper waste awakened considerable interest on the Soviet side. The more so when the firm was also in a position to purchase something in exchange in addition to effecting a saving of materials.

At the State Committee of Foreign Affairs (GKDS), where the businessmen were received by the presiding officer, Constantine Katushev, former ambassador to Cuba, a discussion was held regarding certain projects in third countries.

Among agreements actually signed were those negotiated by Tudor, a veteran in trade with the USSR, where it was introduced in 1975. Tudor has signed two

contracts for the sale of industrial storage batteries and has other proposals under consideration; altogether, it expects to achieve a sales volume of between 12 and 15 million dollars in 1986. The firm, which was able to profit from special commercial ties between India and the USSR by setting up a battery plant in India, will deliver to the USSR about \$20 million worth of batteries per year out of its far east plant.

There are also good prospects for CAF of Beasain (Guipuzcoa), in negotiations to sell several hundred special trucks of various types; however to date nothing has been finalized, apparently pending action by the Soviet planning agency, Gosplan, which allocates resources in accordance with a state plan of priorities. Gosplan appears to be the point at which at present many of the projects which the Spanish businessmen would like to see included in the five-year (1986-90) plan are held up. At Gosplan the delegation was received at the chief of protocol level, which appeared to indicate a lower ranking than had been hoped for. A Jumberca representative saw possibilities for his firm among programs for the modernization of light industry and increasing the output of consumer goods. These programs would depend on contracts within a textile industry modernization project affecting a number of plants in the Moscow area, some of which date from the beginning of the century.

In the agricultural field there are opportunities in fruit juice concentrates, greenhouse construction and fertilizer manufacture, according to information received during a meeting at Gosagroprom, the new agricultural superministry created by Gorbachov. In wine beverage processing, the opportunities at the present moment appear to be in unfermented grape juice, for the production of which equipment originally installed for wine making has been redesigned. A proposal has also been made to supply machinery for an unfermented grape juice production plant in Moldavia. There are also good prospects for ship repair, the specialty of Astilleros Espanoles [Spanish Dockyards]. A representative of that firm stated his opinion that sales in that area, presently at 1,500 million pesetas, could double if a package offer is made to the Soviets.

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ECONOMIC

TURKEY

MAJORITY OF BUSINESSMEN FAVOR FULL EEC MEMBERSHIP

Istanbul DUNYA in Turkish 24 Apr pp 1,11

[Text] According to a survey of businessmen's views, 70 percent of Turkish businessmen favor immediate application for full membership in the EEC, 24 percent believe that full membership in the EEC would be beneficial for Turkey even though it would harm some sectors, and 6 percent think that a decision must be made after everything is considered very carefully and that Turkey should not rush to apply for full membership.

A majority of businessmen insist that every day that is lost in delaying the application for full membership in the EEC is a blow to the growth of Turkish industrialists. Other businessmen who believe that some sectors would not survive the competition that would result from full membership in the EEC favor the strengthening of the less competitive sectors during the transition period that would follow the application for membership so that the country will not suffer the disadvantages of delaying the application. On the other hand, electronics and automobile manufacturers who believe that they have no chance of competing with EEC countries because of their superiority in technology and scale of production believe that Turkey should not apply for full membership in the EEC.

Raif Dinckok: 'Delay in Application Works Against Us'

Aksa Acrylic Chemical Industry Executive Council President Raif Dinckok, one of the businessmen who favor full membership in the EEC and who include the textile manufacturers, stated that every minute lost in applying for full membership works against Turkey. Stating that Turkey's full membership in the EEC is imperative at a time when technology is advancing so rapidly, Dinckok said: "Delaying the application would be a blow against the development of Turkish industry." Noting that they have made every possible appeal to the Turkish government on this issue, Dinckok said that the government has not been able to receive the "positive signal" it is expecting from the EEC. Dinckok said in brief:

"We sincerely want Turkey to apply for full membership in the EEC. But the EEC representatives do not want to consider us so that they can delay us on this issue. The fact that we are not EEC members, when even Spain and Portugal were admitted as members, is resulting in our economic backwardness. The current customs duties applied to EEC products are very small--not enough

to protect our industries. We are already at a disadvantage because we pay customs on raw materials. Despite that, however, we are able to export. They are not asking us to apply because they are afraid of our strength. It is imperative for Turkey to become a full member of the EEC in order prevent unemployment and to develop its industry."

Muhsin Yildirim: 'Some Sectors Cannot Survive Competition'

Temsa Automotive General Coordinator Muhsin Yildirim, one of the businessmen concerned about competition from EEC industries, said that if Turkey becomes a full member of the EEC some sectors will benefit while others will not be able to survive the competition. Stating that if the application for membership is not filed immediately Turkey may lose its trump card of free movement [of workers], Yildirim said that these less competitive industries may be strengthened during the 8 to 10-year transition period. Yildirim said in brief:

"If Turkey becomes a full member of the EEC, the bus industry which is labor intensive may be able to compete, but the automobile and the light commercial vehicles industry cannot compete. However, we believe that the application for membership must be filed. If the application is not filed immediately we may lose our trump card of free movement and suffer the disadvantages of being late. In any case, after we apply for full membership we will be given a transition period. That may be a driving force for us to catch up with EEC technology."

A. Ihsan Ilkbahar: 'We Must not Rush to Apply'

Otosan Director General Ali Ihsan Ilkbahar, one of the businessmen who believe that Turkey must not rush to apply, noted that automobiles are mass-produced at low cost in Europe and said that the Turkish automotive industry will be wiped out soon after the protective measures are eliminated. Insisting that Turkey should not rush on the issue of full membership in the EEC, Ilkbahar said:

"Our disadvantage in some sectors vis a vis the EEC stems from the difference in technology. This is the natural result of mass production. If you imagine that the tooling for one automobile model costs \$50 million, a production run of 5 million units will naturally have a lower unit cost than one of 50,000 units. EEC countries are ahead of us in fixed investments and are producing in large numbers. We must be careful in applying for full membership in the EEC. We must first strengthen the sectors that are considered to be weak. If the protectionist measures are lifted this industry will be wiped out in three days. Furthermore, the development of technologies in the defense industries that are tied to our industry because of foreign currency shortages would also become impossible. That is why we believe that we should not rush to apply for full membership in the EEC and that we should think it out thoroughly."

ECONOMIC

TURKEY

WORLD ECONOMY DEVELOPMENTS OPEN OPPORTUNITIES

Istanbul MILLIYET in Turkish 15 Apr 86 pp 1, 4

[Article by Umur Talu: "Such Opportunities Not Easily Come By"]

[Text] Developments in the world economy, their impact on Turkey and new trends in the Turkish economy have put a great opportunity into the hands of the Ozal government.

If the government can take advantage of this climate and adjust successfully to the new conditions, it will be possible to ease the economy, which has been in a state of crisis for years. Otherwise, Turkey will waste a great opportunity and disapproval of the government will accelerate as well.

The internal and external opportunities open to the Ozal government are:

1. Low Oil Prices: This development and its blessings, which Turkey has been slow to grasp, gained real importance when Iran and Libya agreed to netback arrangements based on market prices. Saudi Arabia's offer to sell cheap oil on credit during the prime minister's recent trip, followed by Iran's acceptance of a netback agreement which it had strongly resisted before, will easily bring the oil savings to more than \$1 billion.
2. Declining World Interest Rates: Following the recent reductions in interest rates in Germany, Japan, Britain and the United States, the basic thrust of the IMF meeting that concluded last weekend was, "Let's reduce interest rates everywhere in the world." This will bring some relief, especially in short-term debt, for Turkey, with its foreign loans of up to \$25 billion. If this trend is sustained, since it will reduce costs in the West, it may also have a positive impact on Turkey's imports.
3. Declining Inflation in West: The double-digit inflation that has plagued the West since the oil shock has now come down to the low single digits and is heading for zero. Declining oil prices are helping this along. This development is easing Turkey's import inflation burden.
4. Search for Stability in World Monetary System: Following the decision of the five wealthy nations to halt and reverse the super surge of the dollar, the search is now concentrating on limiting currency fluctuations. Efforts to keep the value of the dollar at its present "low" level are keeping the "wolf at bay," even though Turkey cannot take full advantage of it.

5. **Reversal of Inflation:** Owing to positive developments in the world economy, inflation in Turkey has finally reached a point that might be called a "reversal." The quarterly price increase is half last year's level. Under these circumstances, 25-percent inflation is not a pipe dream for the time being. However, if the positive psychological climate that this reversal can create fails to materialize, this opportunity will be lost, because price hikes are always waiting in the wings of the marketplace.
6. **Cheap food:** "Cheap tomatoes," which put the brakes on the price indexes last year in spite of everything, are on the agenda again this year. The price of much agricultural produce is staying steady or even dropping. This situation, bad as it is for the grower, contributes to the reversal of inflation from the standpoint of the overall economy.
7. **Foreign Trade Deficit Narrowing:** The import and export figures for the first 2 months of the year showed that it is possible to reduce the foreign trade deficit. January exports were lower than last year, but increased by almost 23 percent in February, according to initial figures. In contrast, a downward trend in monthly import quantities began owing to the smaller oil bill. If exports continue at a stable clip, even though they are no longer booming, it will have a positive impact on Turkey's foreign exchange balance.
8. **Tourism Rains Foreign Exchange:** Though not a large figure to countries whose tourism has reached a certain point, Turkey has now begun to make excellent gains in this sector. Tourism income, estimated to be \$1.4 billion for 1985, will reportedly rise to as much as \$3 billion this year. Prohibitive as it is for Turks to vacation in Turkey, tourism is thus making a larger contribution to the balance of foreign payments than worker remittances, which are now just holding their own.
9. **Further Decline in Interest:** Continuation of the small reduction in interest rates made at the beginning of March has not occurred in April, but a new reduction is expected for sure by May 1. Looking at official inflation rates, it is possible that a 3-5-point reduction in interest rates would be followed by additional reductions in the months ahead. This would ease the credit burden on business.
10. **Taxes Will Help Budget:** This year has been proclaimed the year of the tax boom through effects of the second year of VAT implementation, advance taxation and tight oversight. Although the Treasury's borrowing efforts have been disappointing so far, the public deficit may be reduced by judicious management of the budget and the increased tax revenues.
11. **Large Funds:** The non-budget funds that the government is so fond of are virtually printing money. Three funds accumulated 222 billion liras in just 3 months of this year alone. The Defense Fund, at present at 26 billion liras, is expected to be 250 billion by the end of the year. Though claims of "waste" are worthy of attention in places, the billions of liras accumulating in the funds are an important resource for the government.

12. Quotas Edging Down: Western restrictions on textiles, a major pillar of Turkish foreign trade, are partially relaxing at present, though not so as to create the results Turkey desires in the long run. The recent textile agreement with the EEC opens a \$1 billion resource. In addition, Treasury Under Secretary Ekrem Pakdemirli has sent "encouraging" messages back from the United States, in contrast to his earlier angry statements.

13. World Concepts Changing: The world economy, "thanks," of course, to new preferences of the wealthy countries and resources offered by oil prices, is again being put on the growth track. Implementation of the Baker Plan which was devised to benefit the dangerously indebted countries, the World Bank's return to importance alongside the IMF and even the IMF's efforts to relax the "stringent" concept are all considered early signs of a positive economic climate from the standpoint of where Turkey is.

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ECONOMIC

TURKEY

ECONOMIC ADVISER ON EXPORT INCENTIVES, NEW MARKETS

Istanbul DUNYA in Turkish 24 Apr 86 pp 1,11

[Report by Mehmet Yildirim]

[Text] Ankara—Prime Ministerial Counselor Adnan Kahveci stated that subsidized electricity will be provided to export-oriented industries.

Kahveci said that depending on changes in the price of crude oil Turkey may redirect its exports to Western countries and underscored the need to open up to distant markets in order to have sustained export growth.

According to information provided by Kahveci, the support of exporting firms with low-cost credit is still considered a primary means of encouraging exports. To that end prospects are being reviewed to procure low-cost financing resources for exporting firms.

Meanwhile, according to information obtained from the Turkish Electric Power Enterprise Directorate General, the subsidization of electrical energy for export-oriented industries will take the form of expanding the 10-percent discounted "conducting line rate"—currently applied to only arc-powered steel plants—to sectors that are determined to be export-oriented.

If this implementation is endorsed, sectors which are to be subsidized will receive electricity at the 10-percent discounted conducting line rate while the remaining sectors will buy electricity at the normal rate which is known as the "distribution line rate."

It is reported that the 10-percent discounted rate that is currently applied to only the arc-powered steel plants which use large amounts of electricity will first be offered to textile and apparel manufacturers since more than 50 percent of their output is for exports.

Prime Ministerial Counselor Adnan Kahveci replied to DUNYA's questions as follows:

DUNYA: It is frequently said that Turkey should redirect its exports to Western countries in view of the unfavorable effects of the decline in crude oil prices on countries which import large quantities of goods from Turkey. Would such a change make it necessary to modify the export incentive system?

Kahveci: We are reviewing the issue of encouraging exports at the production level. This can be done by subsidizing the electrical energy used by the export-oriented sectors. Of course this has a cost. Before such a procedure can be implemented this cost must be computed.

DUNYA: Can other incentive measures be introduced?

Kahveci: Export credits have always been one of the most effective means of encouraging exports. Domestic and foreign sources of low-cost credit are being reviewed for the financing of exports.

DUNYA: Can the recent developments observed in Turkish-French relations be evaluated within this context?

Kahveci: Our relations with France have been developing recently. Of course these issues cannot be resolved overnight. Furthermore, the issue is not limited to France. For Turkey, the European market is the alternative to the Middle East. That is how the issue must be approached.

DUNYA: Given this atmosphere, what was the effect of Turkey's session chairmanship of the OECD Ministerial Council?

Kahveci: Having neglected its foreign contacts for the last 65 years, Turkey has remained behind in opening up to the outside. Beside its foreign trade relations, Turkey has remained behind in making its views and values heard for the same reason. In the last two years, an intense campaign was begun to open up Turkey to the outside and to promote itself. Today, Turkey is the session chairman of the OECD. This is a major and prestigious advantage for Turkey. In addition to developing Turkey's foreign trade relations this situation will improve Turkey's stature and reliability abroad.

DUNYA: Despite all the measures taken, exporting firms still complain about bureaucratic obstacles.

Kahveci: At a time when European markets have been targeted, export procedures must be made easier. It is imperative to remove bureaucratic obstacles and to prepare the necessary groundwork.

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ECONOMIC

TURKEY

TECHNOLOGICAL QUALIFICATION PLAN DEVELOPED

Istanbul DUNYA in Turkish 15 Apr 86 p 2

[Text] Ankara (ANKARA AGENCY) - The National Education, Youth and Sports Ministry has developed 12 proposals to enable the solution of 11 major problems encountered in "vocational-technical" training which has been stressed in recent years and in which so much hope has been vested to prevent overcrowding at the universities. According to a report on the topic prepared by the ministry, "commissions" are to be formed to work on the proposals.

The twelve formulas suggested for the improvement and development of "vocational and technical education" in the training of the "intermediate man power" needed in industry are categorized under the following headings:

- Establishment of an education fund,
- Imposition of an education tax,
- Having workplaces pay an education premium,
- Formation of an education union for school-workplace liaison,
- Payment of a fee to workplaces which contribute to schools,
- Opening schools within the framework of the workplace,
- Making instruction and testing available to all who want it,
- Make use of retired teachers, or raise the capacity of schools which train technical teachers,
- Build prefabricated or shed-type workshops,
- Shift equipment not needed to other schools,
- Make effective use of schools' revolving funds,
- Put revolving fund profits into educational services.

What Are Difficulties?

According to the ministry report, the difficulties encountered in "the training of technical manpower" targeted by the 12 proposals for solution in areas ranging from building schools to finding jobs for graduates are:

"Building schools is very expensive and time consuming. It has become difficult to equip and renovate schools to comply with technological requirements. Machinery and equipment in the schools are used at below capacity. The training available in the schools lags behind technology. Schools are limited in their ability to provide all production processes."

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ECONOMIC

TURKEY

ECONOMIC CONDITIONS ON CONVERTIBILITY

Istanbul DUNYA in Turkish 15 Apr 86 p 3

[Text] Ankara (CUNYA) - PARA VE SERMAYE PIYASASI [Money and Capital Market] magazine, which devotes its April issue to convertibility, contends that the current economic situation prevents the move to convertibility of the Turkish lira. Negative developments exist in the fiscal sector, according to the magazine, and there is a negative climate for convertibility. One article contends that, under these circumstances, talking about convertibility is an "affectation" and, even if the lira went to convertibility, it "would be impossible to implement" and stresses, moreover, that present conditions in the Turkish economy give convertibility of the Turkish lira "no importance beyond image and prestige."

Dr Oztin Akguc, examining "Convertibility and the Problem of Convertibility of the Turkish Lira" in the magazine PARA VE SERMAYE PIYASASI, published by Genborsa Securities Trade Inc, points out that the "prior conditions" for the transition to convertibility do not exist in the spring of 1986. He lists the conditions in the form of subheadings such as "achievement of internal economic balance, a stable growth rate, development of money and capital markets, achievement of balanced foreign trade, adequate foreign exchange reserves, harmony between foreign loan payments and foreign exchange income and formation of an effective foreign exchange market." Dr Akguc contends that the ability to meet these prior conditions has not yet been attained, that it would therefore be an "affectation" to talk of convertibility and that, even if the lira went to convertibility, it "would be on paper only" and implementation would be impossible.

In the article "Critical Line of Economy and Convertibility of Turkish Lira," attention is drawn to the funds being created in the financial sector, swollen as the result of foreign loans and the rapidly expanding monetary volume, and their development in such a way as to "destroy all economic policy preferences." It is stated that the funds have not been pointed towards any growth-oriented use, and their use for financing domestic and foreign trade is criticized. Thus, it is noted that with the addition of the pressure of

international financial markets to such a development in which the Turkish economy has a financial sector "blown up like a balloon," a negative climate is created for the transition to convertibility of the Turkish lira. Assistant professor Dr Guntac Ozler stresses that convertibility is "an empty concept" without growth, stability and a sound fiscal structure and says that convertibility would have no advantage beyond "image and prestige" under today's circumstances. According to Ozler, the convertibility problem can be solved only if the internal and external economic balances can be better controlled.

8349

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ELECTRICITY PRODUCTION, USE, INVESTMENTS IN 1985

Brussels LA LIBRE BELGIQUE in French 9 Jan 86 p 9

[Excerpt] The Belgian electrical industry has passed 1985 with real success, but not exceptionally well. Nevertheless, activity tended to accelerate near the end of the year. On the whole, the result was satisfactory. According to the FPE (Professional Federation of Producers and Distributors of Electricity in Belgium), the net consumption of electricity in Belgium rose to 49,755 GWh in 1985 from 48,017 GWh in 1984. This represents a growth of 3.6 percent. The figure is below the 1984 growth of 4.8 percent, but above the 1983 figure of 2.7 percent. The total growth in 3 years thus reached 11.1 percent, equivalent to a mean demand growth rate of 3.7 percent per year. This rate is appreciably higher than the budgeted rate of 2.5 percent in the development plan for electrical plants.

Contrary to the 2 previous years, the FPE further remarked, consumption growth was greatest (+5.6 percent) in the services sector as well as in the residential and associated sectors (+4.6 percent). In the latter sector, consumption increased despite stagnation in private spending, the increase attributed to the exceptional rigor of the winter at the start of 1985 and also to the abnormally low temperature of last November.

In the industrial sector, growth of consumption is estimated at 2.6 percent, in place of the 6.1 percent for 1984. Growth, weak at the beginning of the year, accelerated over the course of the months, reaching 4.1 percent in the 4th quarter. The large industrial sectors--especially metal working, textiles and food industries--increased consumption. Considered in the aggregate, for all sectors combined, the last 2 months of 1985 showed encouraging growth, an average growth rate of 5.2 compared with 1.4 percent for the same period of 1984.

Production Gain: 4.5 Percent

Production rose in 1985 to 54,175 GWh (net figure excluding the consumption of the power stations), an increase of 4.5 percent over the 51,851 GWh for 1984. The rise in production over consumption was influenced by foreign energy exchanges and the need for pumping. Last year, the exchanges with foreign countries were relatively balanced, whereas in the previous year there were net imports of 310 GWh.

The nuclear energy sector became quite preponderant within the total electricity production. In 1985 it reached 59.8 percent from 50.8 percent in 1984. The increase resulted from the addition to the grid of new nuclear power stations, namely Doel 4 in April 1985 and Tihange 3 in June 1985. Last August the nuclear share passed 70 percent, reaching 75 percent in October.

Increase in the number of nuclear units allowed a drop in production by conventional thermal power plants, whose share has dropped to 37.8 (21.8 percent for solid fuel, 8.9 percent for gaseous fuels, 6.5 percent for liquid fuels and 0.6 percent for recovered steam) compared to 46.7 percent in 1984. The balance of production, 2.4 percent, was supplied by hydroelectric stations.

Stationary Investment

The effort to equip the Belgian electricity industry remained significant but it did not grow. The total investment for production, transmission and distribution for 1985 is valued at F 35.7 billion, at a slightly lower level than the F 36.8 billion of 1984. Last year's figure does not yet include Belgium's share in the French station of Chooz B, equivalent to F 1.8 billion. Besides the above-mentioned two nuclear units, the following were commissioned in 1985: two plants operating on steam produced by waste incineration, a 51-MW unit at Scharbeek and another of 6 MW at Houthalen, and a 3-MW compression unit within the nonferrous metals industry at Balen.

For 1986, the plant program envisages the commissioning of 3 back-pressure units with total power of 16.1 MW within a sugar refinery; of a coal-fueled backpressure turbine of 7.5 MW replacing existing plant within a paper mill, and two small hydroelectric plants (totalling 1.45 MW). Also worth mentioning are 23 windmills (total power 4.6 MW) to be commissioned by the Ministry of Public Works at Zeebrugge.

Ultimately, in 1991 our country will have at its disposal a 25 percent share of the Franco-Belgian nuclear station of Chooz B1 and between 1992 and 1995, a similar share in Chooz B2. In 1996, the FPE affirmed, it will probably be imperative to put in service the new nuclear station N8 with an envisaged output of 1390 MW. The program of coal conversion for units formerly using other fuels continued last year. The first unit of 280 MW at Genk-Langerlo became operational at the end of this year. It will be followed in 1986 by the 300 MW at Ruin and in 1987 by the second 280 MW unit of Langerlo.

Finally, it is noteworthy that the transmission and interconnection lines constructed in 1985 consist of 97 km of 380 kV lines and 2 km of 220 kV and 150 lines.

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'MODERATE' CP WING PAPER ON SKDL OPPOSITION TO NUCLEAR PLANT

Helsinki KANSAN UUTISET in Finnish 8 May 86 p 3

[Article: "SKDL's Standpoint Clear: Fifth Nuclear Power Plant Is Not Necessary"]

[Text] In the opinion of the league board of the SKDL [Finnish People's Democratic League], Finland no longer needs additional nuclear power plants: a fifth nuclear power plant is not necessary. By sharply criticizing the government's energy package at its Wednesday meeting, the league board made concrete the negative stand taken 2 years ago by the league council.

Preparation of the league board's standpoint had begun before the Chernobyl accident, which naturally added a new touch to the debate. Some comrades who had previously assumed a positive attitude toward nuclear power announced that the accident had changed their way of thinking.

It was emphasized both in the standpoint and in the debate that society must make fundamental choices about energy.

"It is a question of choosing among different alternative futures. The decisions we make can either hasten an undesired course of development or create the conditions for alternative and positive social growth," the league board affirmed.

Alternative

"Our opportunity to make choices as a nation will easily vanish unless we see in the background to alternative energy policies the existence of those power systems whose concept of the future is subordinate to international competitive ability and to an unrealistic view of man's total mastery over nature," continued the league board's standpoint.

The league board sharply criticized the KTM [Ministry of Trade and Industry] starting points behind which are dubious assumptions about the increase in needed electricity and about the effects of conservation measures.

"A tendency toward indiscriminate growth in electricity consumption undeniably leads us down unsound paths in terms of preserving a balance in the nature of innovative energy-related activity.

"Construction of a fifth nuclear power plant is not justified in terms of energy policy any more than it is in terms of the national economy," declared the league board. It also offered an alternative course of action.

"A realistic alternative consists of energy conservation, increased use of natural gas and domestic energy, employment of coal-fired power plants equipped with scrubbers, and, if necessary, an increase in imported electricity," it was affirmed in the standpoint.

Risk for Accidents Is Real

The league board stated that even though nuclear power on the whole is friendlier to the environment than other means of energy production, incalculable risks are linked to it, as Harrisburg and Chernobyl demonstrate.

"In addition, when we estimate the risk for accidents, we must take into account the serious, long-term, and often irreversible consequences of an accident."

It was also declared during the debate that no one who spoke about the advantages of electricity produced by nuclear power had even attempted to calculate the costs of the consequences of a possible accident.

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